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State/Territory Name: Utah

State Plan Amendment (SPA) #: 24-0011

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

September 12, 2024

Jennifer Strohecker
Director
Division of Health Care Financing
Utah Department of Health
P.O. Box 143101
Salt Lake City, UT 84114-3101

RE: TN 24-0011

Dear Jennifer Strohecker:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Utah state plan amendment (SPA) to Attachment 4.19-A, UT 24-0011, which was submitted to CMS on June 20, 2024. This amendment updates sections of the plan related to disproportionate share hospitals (DSH).

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 and 1923 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2) of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of October 1, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Christine Storey at Christine.storey@cms.hhs.gov.

Sincerely,



Rory Howe
Director
Financial Management Group

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>2 4</u> — <u>0 0 1 1</u>	2. STATE <u>UTAH</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
October 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 455.304

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2025 \$ 0
b. FFY 2026 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Pages 11.1, 11a(a), 11a(1), and 11a(2) of Attachment 4.19-A

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Pages 11.1, 11a(a), 11a(1), and 11a(2) of Attachment 4.19-A

9. SUBJECT OF AMENDMENT
Disproportionate Share Hospitals

10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL
[Redacted]

12. TYPED NAME
Tracy S. Gruber

13. TITLE
Executive Director, Utah Dept of Health & Human Services

14. DATE SUBMITTED
June 20, 2024

15. RETURN TO
Craig Devashrayee
Utah Department of Health & Human Services
Division of Integrated Healthcare
cdevashrayee@utah.gov

FOR CMS USE ONLY

16. DATE RECEIVED: <u>June 20, 2024</u>	17. DATE APPROVED <u>September 12, 2024</u>
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL: <u>October 1, 2024</u>	19. SIGNATURE OF APPROVING OFFICIAL [Redacted]
20. TYPED NAME OF APPROVING OFFICIAL: <u>Rory Howe</u>	21. TITLE OF APPROVING OFFICIAL: <u>Director, Financial Management Group (FMG)</u>

22. REMARKS

INPATIENT HOSPITAL
Section 400 Adjustment for Disproportionate Share Hospitals (Continued)

415 Payment Adjustment for General Acute Rural

General Acute Rural Hospitals will receive payments as outlined in Section 421. Qualifying rural hospitals will also be allowed to participate in a special DSH allotment set aside for current government-owned rural hospitals or rural private hospitals that were government-owned rural hospitals as of January 1, 2011.

Effective beginning federal fiscal year 2025, this additional DSH payment will be based on the lesser of 3.4% of the total federal funds available, rounded to the nearest dollar, per federal fiscal year per hospital or the hospital's uncompensated care cost to Medicaid and the uninsured.

Any hospital that qualifies for additional DSH payments under Section 419 of the State Plan is not eligible for this, Section 415, additional DSH payment.

The actual yearly amounts available to each hospital will vary depending on the Federal Medical Assistance Percentages (FMAP) rate in effect for the period involved and the amount of DSH funding available.

The method and timing of the payment of this additional DSH will be according to the following:

1. Each qualifying hospital must submit an "Uncompensated Care and DSH Survey" documenting the level of uncompensated care they provided. This survey is developed and communicated by the Utah Department of Health and is available on the Medicaid website at <https://medicaid.utah.gov>. Qualifying hospitals may submit their surveys monthly, quarterly, semi-annually, annually, or any combination thereof. Qualifying hospitals may also amend previously submitted data, in the fiscal period, to reflect updated information in that period. The final, or annual survey if elected, must be submitted to the Department within sixty (60) days of the end of the federal fiscal period. A final payment for the federal fiscal period just ended will then be made.
2. These DSH payments will not exceed the total allowed for each facility. A facility may, however, reach its maximum payout prior to the end of the federal fiscal year if there is adequate, documented uncompensated care in early quarters. Payments will be made following the receipt of the qualifying facility's uncompensated care survey, as such, this may be monthly, quarterly, semi-annually, annually, or any combination thereof. Once a facility has reached the annual allotment maximum, no additional payments will be made.

T.N. No. 24-0011

Approval Date September 12, 2024

Supersedes T.N. # 21-0008

Effective Date 10-1-24

INPATIENT HOSPITAL

Section 400 Adjustment for Disproportionate Share Hospitals (Continued)

417 Payment Adjustment for State Teaching Hospital -- The State Teaching Hospital will receive a claims add-on payment as outlined in Section 421.

In order to receive Supplemental payments, the State Teaching Hospital must submit an "Uncompensated Care and DSH Survey" documenting the level of uncompensated care they provided. This survey is developed and communicated by the Utah Department of Health and is available on the Medicaid website at <https://medicaid.utah.gov/>. The State Teaching Hospital may submit their survey monthly, quarterly, semi-annually, annually, or any combination thereof. The State Teaching Hospital may also amend previously submitted data, in the fiscal period, to reflect updated information in that period. The final or annual survey, if elected, must be submitted to the Department within 60 days of the end of the federal fiscal period. A final payment for the federal fiscal period just ended will then be made.

The State Teaching Hospital may elect to receive prospective supplemental DSH payments based on the most recent survey submitted under Section 413. If this option is elected, then the State Teaching Hospital may receive lump-sum payments at the beginning of each federal fiscal year or at different times within the federal fiscal year along with a reconciliation payment following the end of the federal fiscal period after the other qualifying facilities have been paid.

In addition to the above, any DSH monies not paid to other qualifying hospitals will be paid to the State Teaching Hospital as noted in Section 409.

418 Payment Adjustment for Children's Hospital – The Children's Hospital will receive a claims add-on payment as outlined in Section 421.

T.N. No. 24-0011

Approval Date September 12, 2024

Supersedes T.N. # 11-005

Effective Date 10-1-24

INPATIENT HOSPITAL

Section 400 Adjustment for Disproportionate Share Hospitals (Continued)

419 Depressed Frontier County Hospitals - Will receive a claims add-on payment as outlined in Section 421. Depressed Frontier County Hospitals are also eligible for a Supplemental DSH payment cap (Frontier County Cap), which is higher than the Supplemental DSH payment cap for other rural hospitals. Effective beginning federal fiscal year 2025, this additional DSH payment will be based on the lesser of 4.0% of the total federal funds available, rounded to the nearest dollar, per federal fiscal year per hospital or the hospital's uncompensated care cost to Medicaid and the uninsured.

A hospital will qualify for the Frontier County if it:

1. Is a rural hospital;
2. Is a government-owned hospital; and
3. Is located in a county having the lowest per capita personal income in the State.

The method and timing of the payment of this additional DSH will be according to the following:

1. Each qualifying hospital must submit an "Uncompensated Care and DSH survey" documenting the level of uncompensated care they provided. This survey is developed and communicated by the Utah Department of Health and is available on the Medicaid website at <https://medicaid.utah.gov>. Qualifying hospitals may submit their surveys monthly, quarterly, semi-annually, annually, or any combination thereof. Qualifying hospitals may also amend previously submitted data, in the fiscal period, to reflect updated information in that period. The final, or annual survey if elected, must be submitted to the Department within sixty (60) days of the end of the federal fiscal period. A final payment for the federal fiscal period just ended will then be made.
2. These DSH payments will not exceed the total allowed for each facility. A facility may, however, reach its maximum payout prior to the end of the federal fiscal year if there is adequate, documented uncompensated care in early quarters. Payments will be made following the receipt of the qualifying facility's uncompensated care survey, as such, this may be monthly, quarterly, semi-annually, annually, or any combination thereof. Once a facility has reached the annual allotment maximum, no additional payments will be made.

T.N. No. 24-0011

Approval Date September 12, 2024

Supersedes T.N. # 21-0008

Effective Date 10-1-24

INPATIENT HOSPITAL
Section 400 Adjustment for Disproportionate Share Hospitals (Continued)

421 Method and Timing of DSH Claims Supplemental Payments – DSH payments under this section will be made via lump-sum supplemental payments. For each federal fiscal year, 0.0 percent of the CMS preliminary annual Utah federal funds allotment is the basis for the payments made under this section. Each qualifying hospital is assigned to a hospital category (i.e., rural and frontier, urban, children’s, and teaching). The supplemental funds are divided by the State to the hospital categories. Within each hospital category, each hospital receives a portion of the hospital category’s funds based on its percentage of the total adjusted Medicaid reimbursement for a prior 12-month period. Adjusted Medicaid reimbursement is calculated by multiplying Medicaid reimbursement for the prior year by its ratio of Medicaid days to total days for the same year.

The payment calculation is as follows:

Adjusted Medicaid Reimbursement = Hospital’s Medicaid Reimbursement Net of DSH* (Hospital’s Medicaid Days / Total Days).

Hospital Ratio = Adjusted Medicaid Reimbursement / Sum of the Adjusted Medicaid Reimbursement specific to the hospital category.

Hospital Category Supplemental Funds: The total supplemental funds assigned by the State to a hospital category representing hospital types (e.g. rural, urban, children’s, and teaching).

Hospital Distribution Amount = Hospital Category’s Supplemental Funds* Hospital Ratio.

Following is an example, for one hospital category, of the calculation outlined above:

Hospital Category Section 421 Funds:							\$100
Hospital	Medicaid Days	Total Days	Medicaid Days % of Total Days	Medicaid Reimb.	Adjusted Medicaid Reimb.	Hospital Ratio	Hospital Distribution Amount
a	100	200	50.0%	\$1,000.00	\$500.00	0.1224	\$12.24
b	200	300	66.7%	\$2,000.00	\$1,333.33	0.3265	\$32.65
c	300	400	75.0%	\$3,000.00	\$2,250.00	0.5510	\$55.10
Total	600	900		\$6,000.00	\$4,083.33		\$100.00

If the CMS final annual Utah allotment is more than the preliminary allotment, the additional allotment will be allocated to the teaching hospital category. If the CMS final annual Utah allotment is less than the preliminary allotment, the reduced allotment will be recovered from the teaching hospital category.

For each federal fiscal year, payments will be made no earlier than the beginning of each federal fiscal year. Payments will be made within six months after receiving the preliminary allotment amount or within six months after the beginning of the federal fiscal year, whichever is later.

T.N. No. 24-0011

Approval Date September 12, 2024

Supersedes T.N. # 21-0008

Effective Date 10-1-24