

No.	UPL Guidance Question (UPDATED)	Response or Follow-Up Questions (UPDATED)
Section I: UPL Demonstration Overview		
1	Are there any significant changes to the prior year UPL methodology?	Insert the following options: Yes No If 'Yes' is selected, insert the following question: If Yes, please explain. Insert Text Box
2	Does the UPL demonstration align with your state fiscal year?	Insert the following options: Yes No If 'No' is selected, insert the following question: If No, please explain. Insert Text box Add the following note: Note: The UPL demonstration period should start the day after the previous UPL demonstration period's end date.
3	Does the UPL demonstration trend data from the previous UPL demonstration submission or does it contain new data? If using trended data, please specify which data variables are trended. Note: Trended data may only include variable 211 (Medicare Per Diem).	Insert the following options: Data trended from previous submission Insert Text Box Add the following note: Note: If using data trended from a previous submission the beginning date of that data must be no more than 2 years from the beginning date of the current UPL demonstration. New data
4	Does the UPL demonstration include a full 12 months of data for each provider?	Insert the following options: Yes No If 'No' is selected, insert the following question: If No, please explain. Insert Text Box
5	Is the beginning date of the data more than 2 years from the beginning date of the UPL demonstration period?	Insert the following options: Yes No If 'Yes' is selected, insert the following question: If Yes, please explain. Insert Text box
6	Has the provider count changed from the previous UPL demonstration?	Insert the following options: Yes No If 'Yes, proceed to questions 6a and 6b.
6a	Please explain the changes, including any new providers, closed providers, or mergers. Please also cite the source of this data.	Insert Text Box
6b	Please list any changes in the provider category designations (SGO, NSGO, and Private).	Insert Text Box
7	Indicate the percentage of managed care and FFS in the state's Medicaid program overall and also for ICF/IID services.	Insert Text Box
Section II: Source of the UPL Medicare Equivalent Data is:		
1	What is the basis of the UPL formula?	Insert the following the options: Medicaid Cost Demonstration Using Medicare Cost Finding Principles Other If 'Other' is selected, insert the following question: If Other, please describe. Insert Text Box
2	What is the time period of the data used in the demonstration, including the beginning and ending dates? Note: The response to this question is auto-generated based on the data in the ICF/IID UPL submission. Base year data means the 12 month period (this is a date range input) for which the state has Medicaid and Medicare data that serves as the baseline for the UPL demonstration. Rate year data means the 12 month period (this is a date range input) for which the UPL demonstration is being performed. The rate year should be the current UPL demonstration year.	The below options and text are Read-only for the user: Base Yeas Data: MCR Begin Date: System populated field in variable 200.1 MCR End Date: System populated field in variable 200.2 MCD Begin Date: System populated field in variable 300.1 MCD End Date: System populated field in variable 300.2 MCD Rates Begin Date: System populated field in variable 311.1 MCD Rates End Date: System populated field in variable 311.2 Rate Year Data: State Demonstration Rate Year: System populated field in SFY Demo Begin Date: System populated field in variable 002 Demo End Date: System populated field in variable 003
3	Is the data the most recently available to the state?	Insert the following options: Yes No
Section III. Medicare cost comparison is verified as described below:		

<p>1 What is the source of the UPL Medicare equivalent data?</p>	<p><input type="checkbox"/></p> <p>Insert the following options: State Developed Cost Report using Medicare Cost Identification Principles Modified Medicare Skilled Nursing Facility Cost Report (CMS 2540)</p> <p>When user selects Modified Medicare Skilled Nursing Facility Cost then display Question 5 from Cost Report Development sub-section.</p> <p>Insert the following question: a. If the state uses a modified Medicare SNF report, does the state capture the same types of allowable costs as reported on the Medicare SNF cost report? Insert the following options: Yes No</p> <p>If 'No' is selected, proceed to questions a1 and a2.</p> <p>a1. Has the state documented and explained the cost category discrepancies? Insert the following options: Yes No</p> <p>a2. Please explain all discrepancies and modifications to the SNF cost report. Insert Text Box</p>
<p>Cost Report Development (Sub-section)</p>	
<p>1 Does the cost report recognize allowable and non-allowable costs in accordance with Medicare Cost Principles in 42 CFR 413 and 45 CFR 75?</p>	<p>Insert the following options: Yes No</p> <p>If "No" is selected, insert the following question: If No, please explain the treatment and allocation of costs. The state will need to discuss with CMS whether this methodology is acceptable. Insert Text Box</p>
<p>2 Has the Centers for Medicare and Medicaid Services (CMS) reviewed the cost report?</p>	<p>Insert the following options: Yes No</p> <p>If "No" is selected, insert the following note: CMS may request that the state submit the cost report for review prior to any acceptance of the submitted UPL demonstration.</p>
<p>3 Do providers submit the cost reports to the State Medicaid agency annually?</p>	<p><input type="checkbox"/></p> <p>Insert the following options: Yes No</p> <p>If 'No' is selected, insert the following question: If No, please describe. Insert Text Box</p>
<p>4 <input checked="" type="checkbox"/> the cost report audited by the state agency or through an independent audit?</p>	<p>Insert the following options: Yes No</p> <p>If 'Yes' is selected, insert the following question: If Yes, what is the frequency of the audit? Insert Text Box</p>
<p>Cost Finding Methodology (Sub-section)</p>	
<p>1 Please describe the cost identification and allocation process (including the recognized direct costs, treatment of indirect cost, all allocation methods used to determine the costs related to Medicaid services). If the cost identification and allocation process are different from Medicare Cost Principles then please explain.</p>	<p>Insert Text Box</p>
<p>2 Are indirect/overhead costs and direct service costs separately identified on the cost report?</p>	<p>Insert the following options: Yes No</p>
<p>3 Are both routine and ancillary service costs identified on the cost report?</p>	<p>Insert the following options: Yes No</p>
<p>4 Are ancillary service costs separately identified on the cost report?</p>	<p>Insert the following options: Yes No</p>
<p>4a Please describe how the routine and ancillary costs are reported in the cost report and how they are treated for the purpose of determining Medicaid ICF/IID cost.</p>	<p>Insert Text Box</p>
<p>5 Are Central Office or related entity costs allocated to the ICF/IIDs?</p>	<p>Insert the following options: Yes No There are no Central Office or related entity costs.</p> <p>If 'Yes' or 'No' is selected, proceed to question 5a.</p>
<p>5a Please describe how Central Office or related entity costs are identified in the cost report and are allocated to represent actual Medicaid incurred cost.</p>	<p>Insert Text Box</p>
<p>Application of Medicaid days to per diem cost (applies to both state-developed cost report and Medicare-based cost report) (Sub-section)</p>	
<p>1 Does the cost report arrive at an ICF/IID cost per diem for each facility and apply Medicaid days to the per diem?</p>	<p>Insert the following options: Yes No</p>
<p>2 For the determination of cost used for the per diem, is cost exclusive or inclusive of cost associated with non-certified beds?</p>	<p>Insert the following options: Exclusive Inclusive</p>

3	Have the per diem cost and/or Medicaid rates been adjusted for low occupancy?	Insert the following options: Yes No
4	Is the per diem ICF/IID cost inclusive of all routine and ancillary services?	Insert the following options: Yes No
5	Does the state use paid claims data from the MMIS as the source of the Medicaid days?	Insert the following options: Yes No
6	Are the Medicaid days used in the UPL calculation from the same period as the cost report period?	Insert the following options: Yes No If 'No' is selected insert the following question: If No, please explain why they are different. Insert Text Box
Section IV. Source of the Medicaid Payment Data		
1	Are Medicaid base payment data reported from the MMIS?	Insert the following options: Yes No If 'No' is selected, insert the following question: If No, please explain the source of the payment data. Insert Text Box
2	Does the Medicaid payment data include ALL base and supplemental payments to ICF/IID providers?	Insert the following options: Yes No If 'No' is selected, insert the following question: If No, please explain the source of any payment that are made outside of the MMIS. Insert Text Box
3	Are the dates of service for the Medicaid payment data consistent with the Medicaid cost reporting period?	Insert the following options: Yes No If 'No' is selected, insert the following question: If No, please explain. Insert Text Box
4	Where the state makes Medicaid payment outside of Attachment 4.19-D for other services furnished to ICF/IID residents, are these Medicaid payments excluded from the UPL demonstration?	Insert the following options: Yes No
4a	If applicable, please explain any excluded Medicaid payments that are made outside of 4.19-D. Also please explain how their related costs are excluded from the computation of the cost UPL. Note: If not applicable, then indicate "N/A" in the response.	Insert Text Box
5	Does the Medicaid payment data exclude crossover claims? Note: Crossover claims are claims that are both Medicare and Medicaid and are for dual eligible beneficiaries. These claims should be excluded for UPL demonstration purposes because Medicaid only pays the deductible/coinsurance or copay amount of the claim or the difference between the Medicaid and Medicare payment rate if the Medicaid rate is higher. The Medicaid portion of the claim would be much lower as a payer on the claim and would not represent the normal Medicaid payment. As such, the UPL gap would not reflect the true gap.	Insert the following options: Yes No If 'No' is selected, insert the following question: If crossover claims are included, please provide an explanation of how they are treated in the UPL. Insert Text Box
6	Is the Medicaid payment reported gross or net of primary payer payments, deductibles, and co-pays?	Insert the following options: Gross Net
7	Describe how Medicaid payment rate changes between the base period and the UPL period are accounted for in the demonstration. Note: For example, a SPA is approved between the base period data and the UPL demonstration period and it increased Medicaid payment rates. The state needs to account for the payment rate change because it is not represented in the base period data. Instructions: In order to account for rate increases or decreases through the approval of a state plan amendment(s), a state will use variable 308 (Medicaid Inflation Factor), 309 (Other Adjustment to MCD Payments), or 408 (Adjustment to the UPL Gap) in the OMB-Approved Template. If the rate increase (or decrease) was implemented as a percentage of the prevailing rate at the time then the state should capture that percentage in either variable 308 or 309. The state has the option to include the increase or decrease in variable 308 along with an inflationary increase the state used to demonstrate the UPL or may include it in variable 309 apart from any inflationary increase. As well, if the rate increase or decrease was not implemented as a percentage change but as a specified amount for each provider then the state may show this in the OMB-Approved Template as specific amounts distributed across all facilities as appropriate in variable 408.	Insert Text Box
7a	Are all adjustments related to approved SPAs between the Medicaid data base period and UPL demonstration period accounted for in the demonstration?	Insert the following options: Yes No If 'No' is selected, insert the following question: Please list each SPA number with a brief description of the adjustment. Insert Text box
Section V. The state trends and adjusts the UPL Data, as below:		

1	Does the state trend the UPL for inflation?	<p>Insert the following options: Yes No</p> <p>If 'Yes' is selected, insert the following question: If Yes, please explain the inflation factor and its source (variable 404 - description). Insert Text box</p>
1a	Does the state exclude capital costs from the trending?	<p>Insert the following options: Yes No</p>
1b	Is the inflation trend applied from "mid-point to the mid-point" in order to most accurately project future experience?	<p>Insert the following options: Yes No</p> <p>If 'No' is selected, insert the following question: If No, please explain. Insert Text box</p>
2	Does the state trend the UPL for volume/utilization?	<p>Insert the following options: Yes No</p> <p>If 'Yes' is selected, insert the following question: If Yes, please explain the volume/utilization adjustment, including: How it will assure the UPL does not over or understate the volume of Medicaid nursing facility ICF/IID services provided in the rate year? How it is applied? Discuss how it is applied consistently to the Medicare equivalent and Medicaid payment data. Insert text box</p>
3	Are there any additional trends or factors for the UPL (not for the Medicaid payments) that are used in the UPL demonstration and their application?	<p>Insert the following options: Yes No</p> <p>If 'Yes' is selected, insert the following question: If Yes, please explain all additional trends or factors for the UPL. Insert Text box</p>
4	Does the state apply a claims completion factor (when a state does not have a full year of data for the trending factors) to the charge or day data?	<p>Insert the following options: Yes No</p> <p>If 'Yes' is selected, insert the following question: If Yes, please explain the claims completion factor and its application. Insert Text Box</p>
5	Does the state apply a claims completion factor to the payment data?	<p>Insert the following options: Yes No</p> <p>If 'Yes' is selected, proceed to question 5a.</p>
5a	If Yes, is the claims completion factor equally applied to the payment and Medicaid charge or day data used in computing the Medicare UPL (all data in the demonstration should be for a full year)?	<p>Insert the following options: Yes No</p> <p>If 'No' is selected, insert the following question: If No, please explain the claims completion factor and its application Insert Text Box</p>
Section VI. The state UPL data demonstration is structured as follows:		
1	Explain any significant increases or decreases in the UPL Gap from the prior year's UPL demonstration for each applicable provider category (SGO, NSGO, and Private). Note: If there were no significant increase or decrease in the UPL Gap from the previous year, then insert "No significant increase or decrease from the previous year" as the response.	<p>Please explain Insert text box</p>
2	Does the demonstration include all ICF/IID facilities that receive payments under Medicaid?	<p>Insert the following options: Yes No</p>
3	Does the demonstration only includes in-state ICF/IIDs?	<p>Insert the following options: Yes No</p> <p>If "No" is selected, insert the following question: If No, the ICF/IIDs should be included in the "private" provider category. The state should also verify that cost/payment data are obtained from the cost reports of the out-of-state ICF/IIDs. Out-of-state ICF/IIDs are included in the "private" provider category. Cost and payment data are obtained from the cost report of the out-of-state ICF/IIDs.</p>
4	Are provider taxes included and/or adjusted for in the UPL data (variable 401)?	<p>Insert the following options: Yes No</p> <p>If 'Yes' is selected, insert the following question: If Yes, please provide an explanation of their inclusion and/or adjustment. Insert text Box</p>