

No.	UPL Guidance Question	Response or Follow-Up Questions
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 include variables 203 (Medicare Costs), 204 (Medicaid Charges), and 205 (Medicare Payments).	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' is selected, 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 Clinic services.	Insert Text Box
Section II: Description of Clinic services included		
1	Does this demonstration apply to all Medicaid freestanding clinics?	Insert the following options: Yes No
1a	Please describe the Medicaid freestanding clinic type(s).	Insert Text Box
State clinic service payment methodology for the services: (Sub-section)		
1	Does the state pay a Medicaid fee schedule rates for all services provided by the clinic?	Insert the following options: Yes No
2	Does the state pay clinics a fee schedule amount per CPT billing code using a percentage of the Medicare fee that is currently in effect?	Insert the following options: Yes No If Yes is selected, insert the following options: If Yes, state the percentage(s). Insert Text Box
3	Does the state pay clinics using an encounter rate?	Insert the following options: Yes No If Yes is selected, proceed to question 3A.
3a	If yes, does the state track by CPT or other billing code the individual services that Medicaid beneficiaries actually receive?	Insert the following options: Yes No If No is selected, insert the following options: If No, please explain. Insert Text Box
Demonstration comprehensiveness: (Sub-section)		

1	Are all of the Medicaid clinic services provided by the providers listed above in Section II question 1a accounted for in the demonstration?	Insert the following options: Yes No If No is selected, insert the following options: If No, please explain. Insert Text Box
Section III: The basis of the UPL formula is:		
1	What is the basis of the UPL formula?	Insert the following options: State payment rate schedule to Medicare RBRVS Comparison Demonstration (Medicare non-facility fee schedule per CPT) Medicaid Cost Demonstration
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 Clinic 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 Year Data: UPL Source Begin Date: System populated field in variable 200.1 UPL Source 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 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 IV: Medicare payment comparison is verified as described below:		
1	What is the source of the UPL Medicare equivalent data (200-level series variables in the template)?	Insert the following options: Medicare Fee Schedule
1a	Is the Medicare fee schedule for the same time period as the Medicaid payment data?	Insert the following options: Yes No
1b	What is the date of the Medicare fee schedule that is used in the demonstration?	Insert Text Box
Identification of Medicare Equivalent Codes: (Sub-section)		
1	Are all Medicaid services linked to a Medicare-equivalent CPT code?	Insert the following options: Yes No If No is selected, insert the following options and proceed to question 1a. If No, please explain and provide a crosswalk between CPT and local codes. Insert Text Box
1a	If the services are not directly comparable to a Medicare payment for a particular billing code, can the state demonstrate a reasonably equivalent Medicare code to compare to the Medicaid payment?	Insert the following options: Yes No If Yes is selected, insert the following options: If Yes, please explain the Medicare codes, or equivalent codes, used in the demonstration and the equivalent Medicaid payment. Insert Text Box
2	Does the state apply Medicaid volume of service rendered within the demonstration period to each CPT code?	Insert the following options: Yes No
3	Is the volume determined based on an analysis of claims data from the MMIS?	Insert the following options: Yes No If Yes is selected, insert the following option: If Yes, please describe the analysis. Insert Text Box If No is selected, insert the following option: If No, please describe the analysis. Insert Text Box
Section V: Medicare cost comparison is verified as described below:		
1	What is the source of the UPL Medicare equivalent data (200-level series variables in the template)?	Insert the following options: State Developed Cost Report using Medicare Cost Identification Principles Modified Medicare Federally Qualified Health Center (FQHC) Cost Report Template (CMS 222) When user selects option 1 display sub-sections “State Developed Cost Report”, “Direct Cost Finding Methodology”, and “Charge Ratio Methodology”. When the user selects option 2 display sub-section “Medicare FQHC Cost Report” section.
State Developed Cost Report (Sub-section)		
1	Does the cost report recognize allowable and non-allowable costs in accordance with Medicare Reimbursement Principles (PRM-15-1) and 45 CFR 75?	Insert the following options: Yes No
2	Has the Centers for Medicare and Medicaid Services (CMS) reviewed the cost report?	Insert the following options: Yes No

3	Do providers submit the cost reports to the State Medicaid agency annually?	Insert the following options: Yes No If No is selected, insert the following options: If No, please describe the submission period. Insert Text Box
4	Is the cost report audited by the state agency or through an independent audit?	Insert the following options: Yes No If Yes is selected, insert the following options: If Yes, what is the frequency of the audit? Insert Text Box
Direct Cost Finding Methodology (Sub-section)		
1	Does the cost report identify costs directly for Medicaid allowable service cost using an allocation methodology?	Insert the following options: Yes No
2	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). Note: You may also satisfy this information request by attaching your cost report and cost report instruction.	Insert Text Box
Charge Ratio Methodology (Sub-section)		
1	Does the cost report capture all payer cost-to-charge ratios?	Insert the following options: Yes No
2	Does the state apply the Medicaid clinic charges to the cost-to-charge ratios from the same time period as the cost report data?	Insert the following options: Yes No
3	Are the Medicaid charges reported to the MMIS?	Insert the following options: Yes No
4	Please specify the time period of the data used in the state’s cost report.	Insert Text Box
Medicare FQHC Cost Report (Sub-section)		
1	Does the provider submit FQHC-based cost reports annually to the state?	Insert the following options: Yes No If No is selected, insert the following options: If No, what is the reporting period? Insert Text Box
2	Has the Centers for Medicare and Medicaid Services (CMS) reviewed the cost report?	Insert the following options: Yes No
3	Does the state capture the same types of allowable costs as reported on the Medicare FQHC cost report?	Insert the following options: Yes No If No is selected, insert the following options: If No, has the state documented and explained the cost category discrepancies? Insert Text Box
4	Please explain all discrepancies and modifications to the FQHC cost report.	Insert Text Box
5	Please specify the time period of the data used in the FQHC cost report.	Insert Text Box
Section VI: 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 options: If No, please explain. Insert Text Box
2	Are the dates of service for the Medicaid payment data consistent with the Medicaid charge data and/or the clinic cost reporting period?	Insert the following options: Yes No If No is selected, insert the following options: If No, please explain. Insert Text Box
3	Does the Medicaid payment data include ALL base and supplemental payments to clinic providers? Note: Base and supplemental payments must be separately identified. Any reimbursement paid outside of the MMIS should be included.	Insert the following options: Yes No If No is selected, insert the following options: If No, please explain payments that are made outside of the MMIS. Insert Text Box
4	Do 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

5	Is the Medicaid payment reported gross or net of primary care payments, deductibles and co-pays?	Insert the following options: Gross Net
6	Describe how Medicaid payment rate changes between the base period and the UPL period are accounted for in the demonstration. 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
6a	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 VII: The state trends and adjusts the UPL Data, as below:		
1	Does the state trend the UPL for inflation?	Insert the following options: Yes No If Yes is selected, insert the following options: If Yes, please explain the trending factor and its source (variable 404 - description). Insert Text Box
1a	Is the inflation factor trend applied from mid-point to mid-point in order to most accurately project future experience?	Insert the following options: Yes No If 'No' is selected, insert the following question: If No, please explain. Insert Text box
2	Does the state trend the UPL for volume/utilization?	Insert the following options: Yes No If 'Yes' is selected, insert the following question: If Yes, explain the volume/utilization adjustment, including: How it will assure the UPL does not over or understate the volume of Medicaid clinic 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
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?	Insert the following options: Yes No If Yes is selected, insert the following options: If Yes, please explain all additional trends or factors for the UPL. Insert Text Box
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 data?	Insert the following options: Yes No If Yes is selected, insert the following options: If Yes, please explain the claims completion factor and its application. Insert Text Box
5	Does the state apply a claims completion factor to the payment data?	Insert the following options: Yes No If 'Yes' is selected, proceed to question 5a:
5a	If Yes, is the claims completion factor equally applied to the payment and Medicaid charge data used in computing the Medicare UPL (all data in the demonstration should be for a full year)?	Insert the following options: Yes No If 'No' is selected, insert the following question: If No, please explain the claims completion factor and its application Insert Text Box
Section VIII: The state meets clinic UPL demonstration requirements, as below:		

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.	Please explain: Insert Text Box
2	Does the demonstration include all clinic facilities that receive payments under Medicaid?	Insert the following options: Yes No
3	Does the demonstration only includes in-state clinics?	Insert the following options: Yes No If "No" is selected, insert the following question: If No, the clinics 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 clinics. Out-of-state clinics are included in the "private" provider category. Cost and payment data are obtained from the cost report of the out-of-state clinics.