No.	UPL Guidance Question (UPDATED)	Response or Follow-Up Questions (UPDATED)
Section I. UPL Demonstration		
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), 205 (Medicare Payments), 205.1 (Medicare Payments Subject to CMI), and 205.2 (Medicare Payments not Subject to CMI).	Insert the following options: Data trended from previous submission 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	Does this UPL demonstration include Institutions for Mental Disease (IMDs)?	Insert the following options: Yes No
7	Has the provider count (providers enrolled in the Medicaid program and included in the UPL demonstration) changed from the previous UPL demonstration?	Insert the following options: Yes No
7a	Please explain the changes, including any new providers, closed providers, or mergers. Please also cite the source of this data.	Insert text box
7b	Please list any changes in the provider category designations (SGO, NSGO, and Private).	Insert text box
8	Indicate the percentage of managed care and FFS in the state's Medicaid program overall and also for inpatient hospital services.	Insert text box
Section II. The Medicare Equivalent Data		
1	What is the source of the Medicare Equivalent Data (200-level series variables in the template)?	Insert the following options: Note: The values Filed and Settled are from the UPL Demonstration spreadsheet. Note: According to the submitted UPL demonstration the Medicare Cost Report filing status is "Filed". Note: According to the submitted UPL demonstration the Medicare Cost Report filing status is "Filed and Settled". Note: According to the submitted UPL demonstration the Medicare Cost Report filing status is "Settled". The CMS 2552-10 Cost Report Medicare Prospective Payment System (PPS) Diagnostic Related Group (DRG) If user selects DRG then add the following question: Indicate the version of the grouper. Insert text box. System to populate the following: MCR Cost Report Begin Date: System populated field in Variable 200.1 MCR Cost Report End Date: System populated field in Variable 200.2 If user selects DRG then add questions: 1a, 1b, 1c, 1d listed below.
1a	Does the state have separate DRG amounts for state, non-state government, and private ownership categories?	Insert the following options: Yes No If 'Yes' is selected, insert the following question: If Yes, please explain how you calculated those amounts for each of the different ownership categories. Insert Text Box
1b	Describe the methodology for calculating the DRG UPL (variables 205.1, 205.2, 207& 305, as calculated in variable 400 - the unadjusted UPL).	Please describe: Insert text box

1c	Explain the pricer factors and how they tie to what Medicare has established for the providers in the base year.	Please describe: Insert text box
1d	Does the State calculate a per discharge amount per facility? (variables 205.1, 205.2, 206, & 207)	Insert the following options: Yes No If 'Yes' is selected, insert the following question: Is the per discharge amount run through the Medicare grouper? Insert the following options: Yes No If 'Yes' is selected, insert the following question: If Yes, please detail the calculation of the per discharge amount. Insert Text box
2	How does the Medicare PPS demonstration adjusts for differences in Medicare and Medicaid patient acuity?	Please describe: Insert text box
3	What are the other data source(s) used in the UPL calculation? Note: If no other data source(s) are used in the UPL calculation, then insert "No other sources were used in the calculation" as the response.	Please describe: Insert text box
4	What is the time period of the data? Note: The response to this question is auto-generated based on the data in the IPH 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 to calculate the DRG differential ratio factor. Rate year data means the 12 month period (this is a date range input) for which the DRG differential ratio factor is applied to an estimated Medicaid payment to determine the UPL for the demonstration period. The rate year should be the current UPL demonstration year.	The below text is Read-only for the user: Base Year 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 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
Section III. The State uses the Cost Report References below:		
1	Cost-Based Demonstration (e.g., Ancillary Cost-to-Charge Ratio and Room and Board Per Diem)	Insert the following options for the user to select: Worksheet C Worksheet B Worksheet D-1 If Worksheet C is selected, insert the following options. *Note the user should be able to select both options. Medicare Cost Variable 203 Medicare Charges Variable 204 If Medicare Cost Variable 203 is selected then insert WKST C, Part 1, Column 5, Sum of lines 30-76 If Medicare Charges Variable 204 is selected, insert the following options: WKST C, Part 1, Column 6, Sum of lines 30-76, or WKST D-3, Column 2, Sum of line 30-98 If both Medicare Charges Variable 203 and Variable 204 are selected, all worksheets shall be displayed to the user under each option. If Worksheet B is selected, insert the following information: Describe which columns and lines that are used to determine the cost-to-charge ratios. Insert text box If Worksheet D-1 is selected, insert the following information: Describe which columns and lines that are used to determine the cost-to-charge ratios. Insert text box
2	Payment-to-Charge Demonstration (Payment to Charge Ratio) used (Note: More than one option can be selected)	Insert the following options to select: Medicare Payments Variable 205 (Medicare IPPS payments) – WKST E part A column 1, sum of lines 59 minus lines 68 and 69 Medicare Payments Variable 205 (TEFRA) – WKST E-3 part I column 1 line 4 Medicare Payments Variable 205 (Inpatient Psych Payments) – WKST E-3 part II column 1, sum of lines 16, 27 & 28 minus line 29 Medicare Payments Variable 205 (Inpatient Rehab payments) – WKST E-3 part III column 1, sum of lines 17,28 & 29 minus line 30 Medicare Payments Variable 205 (Long Term Acute Care payments) – WKST E-3 part IV column 1, sum of lines 7,18,19 minus line 20 Medicare payments Variable 205 (Critical Access Hospital Payments) WKST E-3 part V column 1, line 19 minus line 21 Medicare Charges Variable 204 WKST C part 1 column 6, sum of lines 30-76 or WKST D-3 column 2 , sum of lines 30-98. If no worksheets are selected, insert the following question: If you are not utilizing the listed worksheets, please describe which worksheets, columns, and lines are used. Insert Text Box
3	Does the Medicare payment data represent gross reported payment, or are adjustments made to the data to capture the net payment?	Insert the following options: Note: The selection for this question must match the selection in "Section V", question 4. Gross Net If Net, please explain the adjustments for primary payer payments, deductible, coinsurance and reimbursable bad debts. (Please note: if deductibles and coinsurance are added onto the Medicare payment, the state should remove reimbursable bad debts included in the Medicare payments). Insert Text box
Section IV. The State applies the Medicaid charge, day, or discharge data as described below to the Medicare charge ratios, per diems, or adjusted DRG amounts:		

1	Are the Medicaid covered charges/days/discharges from paid claims reported from MMIS?	Insert the following options: Yes No If No, please name the other source. Insert text Box
2	Do the dates of service for the Medicaid charge/day/discharge data [variable 300.1 and variable 300.2] match the dates of services from the Medicare cost report data [variable 200.1 and variable 200.2]?	Insert the following options: Yes No If 'No' is selected, insert the following question: If No, please explain why. Insert Text box
3	Does the state only include Medicaid charges from in-state Medicaid providers? Note: If the state includes Medicaid charges from out-of-state, please place the provider in the private ownership category. (Variable 110)	Insert the following options: Yes No
4	Does the charge 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: Explain how including the crossovers would provide a more relevant estimate. If included, please explain the inclusion of all inpatient hospital service charges and verify that those services are covered, billed, and paid as Medicaid inpatient hospital service payments in accordance with the approved state plan inpatient hospital reimbursement methodology. Insert Text box for this explanation.
5	Are physicians and other professional service charges included?	Insert the following options: Yes No If 'Yes' is selected, insert the following question: If included, please explain the inclusion of any professional service charges and verify that those services are covered, billed, and paid as Medicaid Inpatient Hospital service payments in accordance with the approved state plan inpatient hospital reimbursement methodology. If the services are not covered, billed, and paid as Medicaid Inpatient Hospital service payments then the data for these services should be removed from the IPH UPL demonstration. Insert Text box
Section V: The UPL demonstration applies Medicaid payment data as follows:		
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	Are the dates of service for the Medicaid payment data consistent with the Medicaid charge data and the hospital cost reporting period?	Insert the following options: Yes No If 'No' is selected, insert the following question: If No, please explain. Insert text box
3	Does the Medicaid payment data include ALL base and supplemental payments to inpatient hospital 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
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 the primary payer payments, deductibles, and co-pays?	Insert the following options: I confirm that the Medicaid payment data are reported in the same manner as Medicare payment data in "Section III, question 3. The value from Section III, question 3 will be inserted.

6	Describe how Medicaid payment rates change 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.	Please describe: 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 N/A If 'No' is selected, insert the following question: Please list each SPA number with a brief description of the adjustment. Insert Text box
Section VI: The State trends or adjusts the UPL data, as follows:		
1	Does the state trend the UPL for inflation?	Insert the following options: Yes No If 'Yes' is selected, insert the following question: If Yes, please explain the inflation 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 nursing facility services provided in the rate year? How it is applied? Discuss how it is applied consistently to the Medicare equivalent and Medicaid payment data. Please explain: 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 question: 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/day/discharge data?	Insert the following options: Yes No If 'Yes' is selected, insert the following question: 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, insert question 5a.
5a	If Yes, is the claims completion factor equally applied to the payment and Medicaid charge/day/discharge 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 VII: 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.	Please explain: Insert text box.
2	Does the demonstration include all inpatient hospitals that receive payments under Medicaid?	Insert the following options: Yes No
3	Does the UPL demonstration only include in-state hospitals?	Insert the following options: Yes No If "No" is selected, insert the following question: If No, the hospitals 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 hospitals. Out-of-State hospitals are included in the "private" provider category. Cost and payment data are obtained from the cost reports of the Out-of-State hospitals.
4	Are Critical Access Hospitals (CAHs) included?	Insert the following options: Yes No If 'Yes' is selected, insert the following question: If Yes, describe how the state accounts for CAHs in the UPL calculation (identified in variable 113). Insert Text box If 'No' is selected, insert the following question: If No, please explain the decision to exclude them from the UPL and the basis for demonstrating compliance with 42 CRF 447.272. Insert text Box
5	Are provider taxes included and/or adjusted for in the UPL data (variable 401)?	Insert the following options: Yes No If 'Yes' is selected, insert the following question: If Yes, please provide an explanation of their inclusion and/or adjustment. Insert text Box