



UTAH DEPARTMENT OF
HEALTH

Utah 1115 Demonstration Waiver

Project Number: 11-W-00145/8 & 21-W-0054/8

Annual Monitoring Report

Reporting Period

Demonstration Year: 17 (07/01/2018-06/30/2019)

Executive Summary

Utah's 1115 Primary Care Network (PCN) Demonstration Waiver is a statewide demonstration that gives the Utah Department of Health (UDOH) federal authorization to administer specific medical programs and benefits that are not otherwise allowable under federal rules. This demonstration waiver was originally approved in February 2002 for the PCN program and Current Eligibles group. The waiver was implemented July 1, 2002, and is now in demonstration year 18. Over the years, additional programs and benefits have been authorized under the waiver. The current waiver has approval through June 2022. This monitoring report will provide information for demonstration year 17 (July 2018-June 2019)

The demonstration waiver authorizes the following programs and benefits:

- PCN Program- Provides a limited package of preventive and primary care benefits to adults age 19-64 (PCN was suspended March 31, 2019 with the implementation of Adult Expansion on April 1, 2019).
- Current Eligibles/Non-Traditional Benefits- Provides a slightly reduced benefit package for adults receiving Parent/ Caretaker Relative (PCR) Medicaid.
- Utah's Premium Partnership for Health Insurance (UPP)-Provides premium assistance to help pay the individual's or family's share of monthly premium costs of employer sponsored insurance or COBRA.
- Targeted Adult Medicaid- Provides state plan Medicaid benefits to a targeted group of adults without dependent children.
- Former Foster Care Youth from Another State- Provides state plan Medicaid benefits to former foster care youth from another state up to age 26.
- Dental Benefits for Individuals who are Blind or Disabled- Provides dental benefits to individuals age 18 and older, with blindness or disabilities.
- Substance Use Disorder (SUD) Residential Treatment- Provides coverage of SUD Residential Treatment in an Institution for Mental Disease (IMD) for all Medicaid eligible individuals.
- Targeted Adult Dental Benefits- Provides state plan dental benefits for Targeted Adult Medicaid eligible individuals who are receiving SUD treatment.
- Adult Expansion- Provides Medicaid benefits to adults age 19-64 who have household income up to 95 percent of the federal poverty level (FPL). Individuals in this demonstration group will also be required to participate in community engagement activities (if they do not meet an exemption or have good cause), and will be required to enroll in employer sponsored insurance (ESI), if it is available to the eligible individual. (Implemented April 1, 2019)
- Clinically Managed Residential Withdrawal Pilot- Provides expenditure authority to provide clinically managed residential withdrawal services to adult Medicaid beneficiaries, age 18 and older, who reside in Salt Lake County. (Implemented May 1, 2019)

Over the five-year approval period, Utah theorizes that the demonstration will:

- Improve the health of Utahns by increasing the number of low income individuals without access to primary care coverage, which will improve the overall well-being of the health status of Demonstration Population I enrollees (PCN enrollees).
- Not negatively impact the overall health of Current Eligibles who experience reduced benefits and increased cost sharing.
- Assist previously uninsured individuals in obtaining employer-sponsored health insurance without causing a decrease in employer's contributions to premiums that is greater than any decrease in contributions to the overall health insurance market.

- Reduce the number of uninsured Utahns by enrolling eligible adults in the Targeted Adult Medicaid program.
- Reduce the number of non-emergent Emergency Room visits for the Targeted Adult population.
- Improve access to primary care, while also improving the health status of the Targeted Adult Population.
- Provide care that is more extensive to individuals suffering from a substance use disorder, in turn making this population healthier and more likely to remain in recovery.
- Lead to increased or sustained employment, improve beneficiaries' socio-economic status and improve health outcomes through a community engagement requirement.

Key Events and Operational Updates

During the first quarter of demonstration year 17 (July-Sept. 2018), dental benefits for blind or disabled Medicaid members was moved to managed care plans for individuals living in Weber, Davis, Salt Lake and Utah counties. There are two managed care plans available; Managed Care of North America (MCNA) Dental and Premier Access. As of January 1, 2019, the remaining counties in the state moved to dental managed care.

Due to an open enrollment period during the second quarter of demonstration year 17 (Oct.-Dec 2018), the PCN program experienced an increase in enrollment for adults without dependent children. This open enrollment period coincided with the open enrollment period for the federal marketplace, held November 1 through December 15, 2018. This resulted in approximately 3,000 additional individuals receiving PCN coverage.

During the third quarter of demonstration year 17, the State received approval from the Centers for Medicare and Medicaid Services (CMS) of a waiver amendment to implement dental benefits for Targeted Adults receiving SUD treatment. Implementation of this benefit occurred on March 1, 2019.

Also during the third quarter, the State received CMS approval to expand Medicaid coverage to adults age 19 through 64, who have household income up to 95 percent FPL. This approval was received March 29, 2019, and the Adult Expansion Medicaid program was implemented on April 1, 2019. Due to the implementation of Adult Expansion, the PCN program was suspended as of March 31, 2019. PCN individuals transitioned to Adult Expansion on April 1, 2019. The state also received approval to implement clinically managed residential withdrawal services. Implementation of this specific demonstration component occurred on May 1, 2019.

Another key event occurring during the third quarter was the 2019 General Session of the Utah State Legislature. This session resulted in the passing of legislation that requires the State to submit two 1115 waiver applications. Senate Bill 96 "Medicaid Expansion Adjustments" requires the State to submit an 1115 waiver application for approval of the following provisions for the Adult Expansion Population:

- Continue to cover adults age 19 through 64 with household income up to 95 percent FPL at the increased Federal Medical Assistance (FMAP) allowable under 42 U.S.C. Section 1396d(y)
- Administer the community engagement requirement under this new application
- Allow an enrollment cap under this new application
- Provide funding for housing related supports and services
- Provide up to 12-month continuous eligibility
- No longer allow presumptive eligibility determinations by qualified hospitals
- Administer the employer-sponsored insurance requirement under this new application
- Lock-out for intentional program violation provision, and
- A per capita cap on federal funding.

This demonstration application known as the "Per Capita Cap Demonstration" was submitted to CMS on July 31, 2019. The State received a denial of two components of this request; receiving increased FMAP for a partial expansion to 95

percent FPL, and applying an enrollment limit to the Adult Expansion Population. All other provisions of this request are still pending a decision from CMS.

Due to the denial of these two provisions, the State is drafting a waiver amendment to fulfill additional requirements of SB 96. The State is finalizing this amendment and plans to submit the amendment in the coming months.

The State also submitted a waiver amendment as a result of Senate Bill 11"Medicaid Dental Coverage Amendments". This waiver amendment will allow the State to provide state plan dental benefits for Medicaid eligible individuals, age 65 and older (referred to as Aged Medicaid beneficiaries). If approved, it will also allow the State to provide federal funds for porcelain crowns for Aged Medicaid beneficiaries, and for Targeted Adult Medicaid beneficiaries who are eligible for dental benefits, as defined in the State's 1115 PCN waiver. This waiver amendment was submitted to CMS on June 27, 2019 and is pending a decision from CMS.

Annual Public Forum

The State plans to hold the required annual public forum during the November 2019 Medical Care Advisory Committee (MCAC) meeting. The State will report on any public comments provided during the annual forum in a future quarterly monitoring report.

Enrollment

The table below details the monthly enrollment numbers for the demonstration year for each demonstration group covered under the waiver. With the implementation of Adult Expansion, PCN individuals transitioned to this program. In addition, enrollment for Current Eligibles decreased, as some of these individuals moved to Adult Expansion due to the income limit change. Enrollment for the Targeted Adult group gradually increases each month, despite Adult Expansion implementation. SUD residential treatment services have leveled off, as the number of available beds has reached capacity. Although there are waiting lists for SUD residential services, several facilities have reported they have added additional beds, and plan to add more in the near future.

Demonstration Group	July 2018	August 2018	Sept 2018	Oct 2018	Nov 2018	Dec 2018	January 2019	Feb 2019	March 2019	April 2019	May 2019	June 2019
Adult Expansion	0	0	0	0	0	0	0	0	0	25,644	28,398	29,821
Current Eligibles-PCR	30,910	31,169	30,788	30,579	30,398	30,129	30,266	30,200	30,036	25,874	25,472	24,867
Demonstration Population I- PCN	12,779	15,498	15,108	14,604	16,839	17,765	17,160	16,351	15,726	0	0	0
Demonstration Population III, V, VI- Premium Assistance	825	798	742	634	750	750	757	729	731	679	683	666
Dental- Blind/Disabled	9,853	9,788	30,035	30,440	30,576	30,570	36,614	34,785	37,150	37,268	37,335	37,394
Former Foster Care Youth	9	10	10	10	10	10	10	12	12	11	10	10
Targeted Adults	2,668	2,942	3,214	3,582	3,830	3,712	3,828	4,042	4,075	4,162	4,285	4,341
Substance Use Disorder Residential Treatment	419	428	418	409	436	451	462	416	434	455	473	424
Targeted Adult Dental	0	0	0	0	0	0	0	0	343	371	375	379
Withdrawal Management	0	0	0	0	0	0	0	0	0	0	256	239

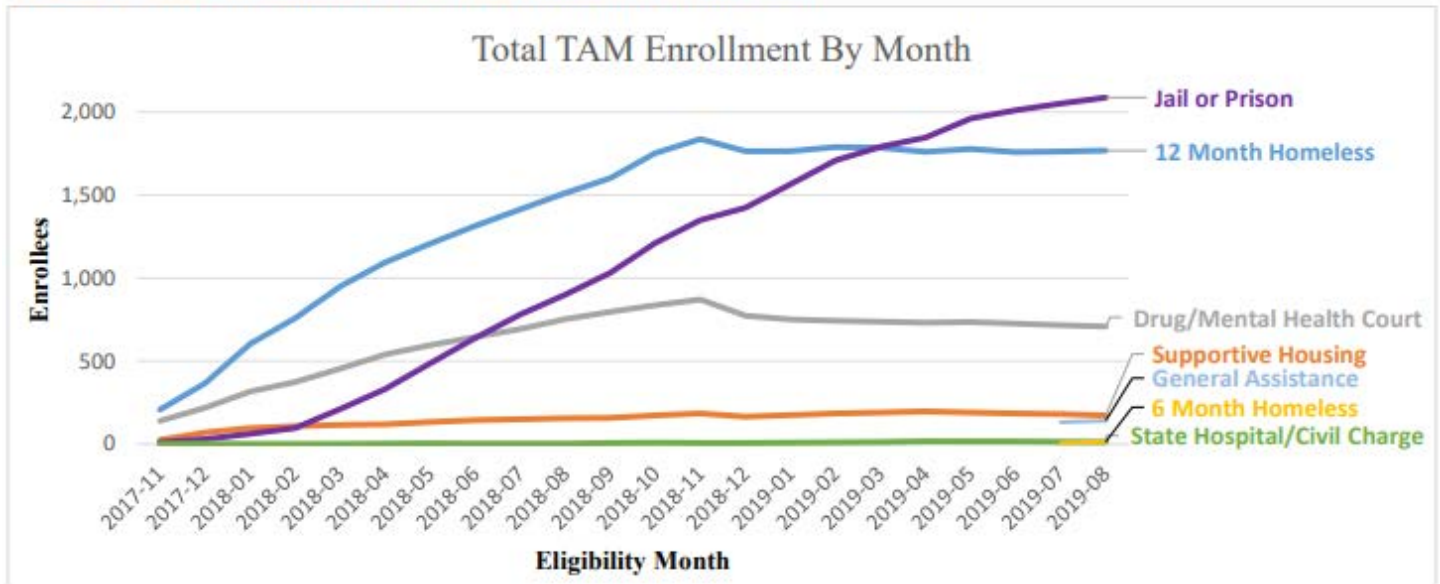
Notes:

- Enrollment numbers are shown as of 08/23/19. Numbers reflect all retroactive enrollment up to 08/23/19 and are subject to change with future retroactive enrollment.
- Adult Expansion implemented April 1, 2019, and the PCN program suspended March 31, 2019 due to this implementation.
- Dental for Individuals with Blindness and Disabilities moved individuals to managed care on September 1, 2018 and January 1, 2019.
- Targeted Adult Dental implemented March 1, 2019
- Clinically Managed Residential Withdrawal Services implemented May 1, 2019

Targeted Adult Medicaid and Substance Use Disorder Treatment

Targeted Adult Medicaid and the Substance Use Disorder IMD provision were both implemented in November 2017, and the State has experienced a consistent increase in both TAM enrollment and SUD residential treatment, although SUD residential treatment services has slowed as mentioned above. Below is detailed data on enrollment and expenditures for the TAM population. TAM members utilize the majority of SUD residential treatment.

Targeted Adult Medicaid (TAM) Enrollment by Subgroup



TAM Category	2018-07	2018-08	2018-09	2018-10	2018-11	2018-12	2019-01	2019-02	2019-03	2019-04	2019-05	2019-06
12 Month Homeless	1,415	1,513	1,603	1,754	1,838	1,764	1,764	1,789	1,786	1,761	1,779	1,759
Supportive Housing	151	155	158	174	185	165	176	184	190	197	190	185
Drug/Mental Health Crt	694	752	797	836	871	773	750	744	737	731	735	726
Jail or Prison	782	901	1,033	1,211	1,349	1,424	1,566	1,710	1,791	1,847	1,962	2,011
State Hospital/Civil Chrg	3	3	7	8	6	7	8	11	13	17	16	16
Total	3,045	3,324	3,598	3,983	4,249	4,133	4,264	4,438	4,517	4,553	4,682	4,697

Notes:

Enrollment as of September 17, 2019. Enrollment includes retroactive applications processed up to the run date. Enrollment numbers reported here are subject to change with future applications that may include retroactive coverage.

Distinct Members Served		FY19									
Service Type	2018-08	2018-09	2018-10	2018-11	2018-12	2019-01	2019-02	2019-03	2019-04	2019-05	2019-06
Residential Serv.	332	331	327	349	364	370	348	373	323	320	291
Behavioral Health	934	988	1,065	1,140	1,085	1,095	1,151	1,152	1,176	1,274	1,226
Emergency Room	444	446	517	512	467	575	491	520	526	506	551
Inpatient Hospital	124	94	113	101	104	118	115	104	114	107	107
Lab & Radiology	574	607	672	744	758	819	828	907	900	889	859
Other Services	3,194	3,468	3,817	4,122	3,978	4,093	4,254	4,363	4,438	4,558	4,581
Outpatient Hosp.	307	280	338	353	322	368	367	404	395	414	353
MAT	286	290	373	398	376	402	415	448	452	468	446
Non-MAT Pharm.	1,208	1,234	1,451	1,519	1,457	1,585	1,573	1,681	1,730	1,718	1,655
Grand Total	3,248	3,522	3,863	4,168	4,043	4,174	4,325	4,429	4,476	4,608	4,634

Monthly Expenditures (in 1,000s)		FY19									
Service Type	2018-08	2018-09	2018-10	2018-11	2018-12	2019-01	2019-02	2019-03	2019-04	2019-05	2019-06
Residential Serv.	\$955	\$957	\$961	\$973	\$1,049	\$1,116	\$946	\$971	\$890	\$882	\$797
Behavioral Health	\$512	\$458	\$608	\$599	\$513	\$588	\$549	\$626	\$818	\$921	\$826
Emergency Room	\$349	\$357	\$436	\$402	\$366	\$461	\$398	\$456	\$410	\$417	\$418
Inpatient Hospital	\$1,185	\$1,229	\$1,302	\$1,250	\$1,269	\$1,215	\$1,405	\$1,148	\$1,142	\$1,083	\$875
Lab & Radiology	\$363	\$349	\$409	\$442	\$476	\$518	\$520	\$605	\$582	\$593	\$556
Other Services	\$477	\$402	\$496	\$440	\$407	\$507	\$425	\$555	\$496	\$514	\$495
Outpatient Hosp.	\$218	\$158	\$265	\$234	\$290	\$258	\$252	\$303	\$244	\$323	\$247
MAT	\$211	\$169	\$242	\$243	\$220	\$260	\$244	\$276	\$274	\$276	\$260
Non-MAT Pharm.	\$712	\$702	\$911	\$941	\$967	\$1,217	\$1,113	\$1,236	\$1,518	\$1,621	\$1,338
Grand Total	\$4,982	\$4,781	\$5,629	\$5,523	\$5,556	\$6,140	\$5,851	\$6,177	\$6,374	\$6,630	\$5,811

- Monthly expenditures represent total fund payments to providers. Expenditures may not precisely sum up to total due to rounding.
- These total fund amounts consist of federal funds, state restricted funds, and hospital share.
- Pharmacy expenses shown here are subject to future reductions due to rebates.
- The months shown here represent the month of service, which is not necessarily the month of payment. They are subject to change with future billings and adjustments. Providers may bill up to one year after the date of service.

PCN Enrollment and Primary Care Utilization

In quarter two, of this demonstration year, PCN open enrollment occurred and the State experienced an increase in enrollment. As mentioned previously, PCN individuals transitioned to Adult Expansion as of April 1, 2019.

Primary Care Network (PCN) Enrollment by Subgroup

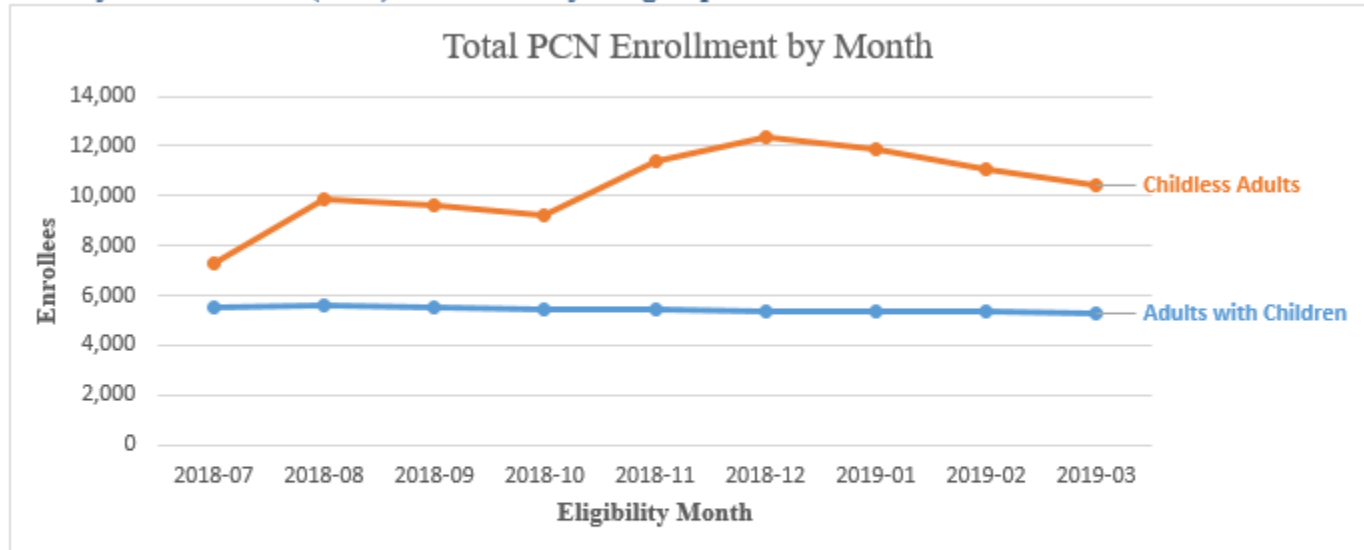
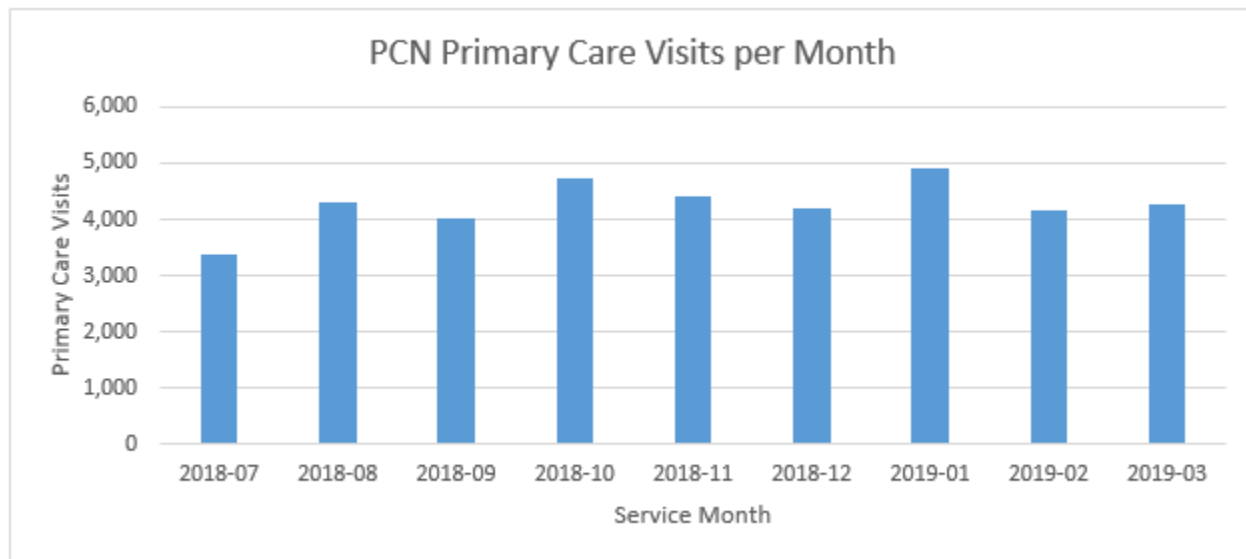


Figure 1

PCN Category	2018-07	2018-08	2018-09	2018-10	2018-11	2018-12	2019-01	2019-02	2019-03
Adults with Children	5,530	5,608	5,490	5,431	5,443	5,351	5,335	5,332	5,313
Childless Adults	7,255	9,900	9,632	9,189	11,421	12,357	11,859	11,048	10,442
Total	12,785	15,508	15,122	14,620	16,864	17,708	17,194	16,380	15,755

PCN Primary Care Visits by Month



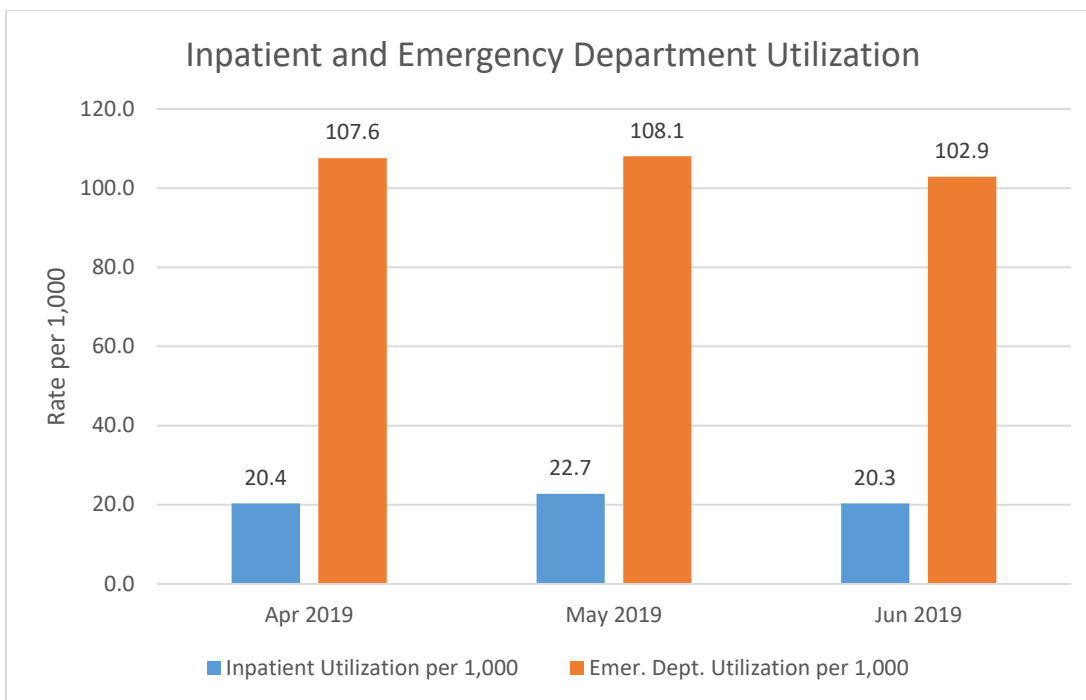
Total	2018-07	2018-08	2018-09	2018-10	2018-11	2018-12	2019-01	2019-02	2019-03
Primary Care Visits	3,379	4,299	4,028	4,722	4,422	4,187	4,894	4,164	4,267

Notes:

Enrollment as of September 3, 2019 and includes all approved applications up to the run date. The month of Primary Care Visit represents the service month, which is not necessarily the month of payment. This is subject to change with future billings and adjustments. Providers may bill up to one year after the date of service.

Adult Expansion Utilization

With the implementation of Adult Expansion, the State will report specific metrics in the quarterly and annual reports. For this annual report, the State will report inpatient utilization and emergency department utilization. In future reports, the State plans to include additional metrics, which may include; all cause hospital readmission, follow-up after hospitalization for mental health or SUD within 7 days, and initiation and engagement of alcohol or other drug abuse dependence treatment.



	April 2019	May 2019	June 2019	FY 2019
Inpatient	522	646	606	1,774
Emergency Dept.	2,759	3,069	3,068	8,896
Members	25,644	28,398	29,821	83,863

Anticipated Changes to Enrollment

Medicaid Expansion

As mentioned, on March 29, 2019, the State received CMS approval to implement Medicaid eligibility for adults age 19 through 64 with household income up to 95 percent FPL. Adult Expansion Medicaid was implemented on April 1, 2019. With this implementation, the State has experienced an increase of enrollment. As of June 2019, approximately 35,000 individuals were eligible for Adult Expansion. This includes Targeted Adult beneficiaries (the Targeted Adult population is part of the expansion). The State continues to see an increase in enrollment for Adult Expansion every month. Although the increase in enrollment in Adult Expansion has been slower than expected, the State estimates approximately 70,000-90,000 individuals will eventually enroll.

Targeted Adults

During this demonstration year, enrollment in the Targeted Adult group has continued to show a slight increase each month. While some individuals are losing eligibility due to recertification activities, newly eligible individuals continue to enroll. Individuals who have lost eligibility either have not completed the recertification process or no longer meet eligibility requirements.

Other Waiver Populations

As mentioned, the number of individuals accessing residential treatment in an IMD for a substance use disorder has slowed, due to limited bed capacity.. However, several facilities have indicated they plan to add additional residential beds in the near future.

Enrollment for Current Eligibles decreased in the month of April due to approximately 3,300 beneficiaries transitioning to Adult Expansion. This occurred due to the decrease in the income limit for Current Eligibles, resulting from Adult Expansion implementation.

Enrollment for TAM dental benefits is expected to continue to increase each month as additional individuals are identified as meeting criteria to receive dental treatment.

Benefits

The State received approval on March 29, 2019 to implement the Clinically Managed Residential Withdrawal Pilot. This additional benefit became available to eligible beneficiaries on May 1, 2019. The State estimates approximately 2300 individuals will receive this service on an annual basis. The State will continue to monitor this benefit and include information in future monitoring reports.

The State has a pending waiver amendment to allow the State to provide additional services for at-risk children and youth. If approved, the State intends to add these benefits for eligible individuals shortly after approval. In addition, if the waiver amendment to provide dental benefits to Aged Medicaid beneficiaries and porcelain crowns to both Aged Medicaid and Targeted Adult beneficiaries is approved, the State will implement these benefits shortly after approval.

In regards to other programs authorized under the demonstration waiver, there are no anticipated changes to benefits or utilization at this time.

Demonstration Related Appeals

Below are the demonstration related appeals for this quarter. Demonstration groups are only listed if there was an appeal for the quarter.

Demonstration Group	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual Total
PCN	6	1	1	2	10
Targeted Adult	0	0	2	0	2
UPP	0	1	0	1	2
Adult Expansion	N/A	N/A	N/A	3	3

Quarter One Appeals

There were six demonstration related appeals during quarter one. All six were for the PCN program. Five of the appeals involved application denials. Fair hearings were scheduled for these requests, but in all five instances, the member did not attend the hearing. One fair hearing was withdrawn.

Quarter Two Appeals

There were two demonstration related appeals during the second quarter. One appeal involved the PCN program and the finding of an overpayment due to an agency error. The issue was resolved. The appeal regarding the UPP program involved failure to report the loss of employer sponsored insurance and enrolling in new insurance. The individual's UPP eligibility ended due to this. The State agreed with the agency decision to close, as the report was not timely.

Quarter Three Appeals

There were three demonstration related appeals during the third quarter. One of the Targeted Adult appeals involved moving from the Current Eligibles/Parent Caretaker Relative (PCR) program to the Targeted Adult program. The individual was not eligible for Targeted Adult Medicaid because she had a child in the home. This decision was affirmed and she remained on PCR for that month. The other two appeals were application denials. The beneficiaries failed to attend the hearings. After reviewing the decisions using available information, the application denials were affirmed.

Quarter Four Appeals

There were six demonstration related appeals during the fourth quarter. Three of the appeals involved application denials in which the individual failed to provide needed verifications to process the application. Two of the individuals failed to attend the scheduled fair hearing, and the decisions were affirmed. One of the individuals withdrew their fair hearing regarding the denial of PCN, as they were later approved for Adult Expansion. One individual was denied due to no open enrollment for PCN in March. They failed to attend their fair hearing, and the decision was affirmed. The sixth appeal was in regards to a closure due to not completing the recertification process. The individuals failed to attend the hearing and the decision as affirmed.

Quality

Eligibility Determination and Processing

As an indicator of quality, the State tracks application processing timeframes to determine if medical assistance applications are processed in a timely manner. The table below indicates available data for five of the demonstration groups. Data for other demonstration groups is not available due to system issues.

Application Processing-Average days to Approval

Program Type	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Current Eligibles-PCR	10.6	11	11.62	10.43
PCN	9	9.57	19.86	N/A
Targeted Adults	8.15	5.66	5.88	5
Premium Assistance-UPP	42.07	38.9	28.3	43.22
Adult Expansion	N/A	N/A	N/A	9.05

**Data Source: Dept. of Workforce Services Cognos Report- "104-Days to Approval"

Financial/Budget Neutrality

For enrollment figures for the demonstration quarter, please refer to the "Enrollment" section above. Budget neutrality documents will be submitted through the PMDA portal.

Financial- Anticipated Changes

The State will experience an increase in expenditures due to the implementation of Targeted Adult dental benefits, Adult Expansion, and the Clinically Managed Residential Withdrawal Pilot. The State plans to report on the financial impacts of these changes in future monitoring reports.

The State also anticipates an increase in expenditures if the pending amendment for services for at-risk children and youth and dental benefits for Aged Medicaid members are approved. The financial impact of these amendments will also be reported in a future report.

Demonstration Evaluation Update

The State continues to work with its third party evaluator, the University of Utah Social Research Institute (SRI), and CMS to finalize the demonstration evaluation design. The State has submitted a revised evaluation design to CMS and is waiting for final approval. Once approved, SRI will complete the required evaluation.