



UTAH DEPARTMENT OF
HEALTH

Utah 1115 Demonstration Waiver

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

Quarterly Monitoring Report

Reporting Period

Demonstration Year: 18 (07/01/2019-06/30/2020)

Demonstration Quarter: 1 (07/01/2019-09/30/2019)

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 quarter one of demonstration year 18.

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 on March 31, 2019 with the implementation of Adult Expansion Medicaid 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.
- 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.

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

On July 1, 2019, the third subgroup for Targeted Adult Medicaid opened for enrollment. This is the first time this subgroup has been open for enrollment since Targeted Adult Medicaid implementation in November 2017. This subgroup includes: individuals needing treatment who are living or residing in a place not meant for human habitation, a safe haven or in an emergency shelter for 6 months within a 12-month period, and have a diagnosable substance use disorder or serious mental illness; individuals discharged from the State Hospital due to a civil commitment; and individuals receiving General Assistance (GA) from the Department of Workforce Services (DWS) who have been diagnosed with a substance use disorder or a serious mental health disorder. As a result of open enrollment, approximately 180 individuals are eligible under this subgroup.

As mentioned in the annual monitoring report for demonstration year 17, the State submitted a demonstration application known as the "Per Capita Cap Demonstration" 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 this denial, the State submitted a waiver amendment to fulfill additional requirements of Senate Bill 96 "Medicaid Expansion Adjustments". This waiver amendment includes the following provisions:

- Increase the income limit for the Adult Expansion demonstration group from 95 percent of the federal poverty level (FPL), to 133 percent FPL, in order to receive the increased Federal Medical Assistance Percentages (FMAP) allowable under 42 U.S.C. Section 1396d(y) for the Medicaid Expansion including the Adult Expansion demonstration group and the Targeted Adult demonstration group
- Lock-out from the Medicaid expansion for committing an intentional program violation
- Federal expenditure authority to provide housing related services and supports (HRSS) for groups within Medicaid Expansion
- Not allow hospitals to make presumptive eligibility determinations for the Medicaid Expansion
- Additional flexibility for providing services through managed care for all Medicaid members
- Require premiums for Adult Expansion beneficiaries with income over 100 percent through 133 percent of the FPL
- Require a \$10 surcharge for each non-emergent use of the emergency department after having received a warning for inappropriate use of the emergency department for Adult Expansion beneficiaries with income over 100 percent FPL through 133 percent FPL
- Expand the subgroup definitions for the Targeted Adult demonstration group to include additional groups of individuals that may receive Targeted Adult Medicaid.
- Implement defined flexibilities and cost savings provisions for the Medicaid Expansion through the state administrative rulemaking process within the parameters defined by this waiver amendment

- Change the income range for Utah’s Premium Partnership for Health Insurance (UPP)
- Implement a community engagement requirement for the Adult Expansion population
- Allow an enrollment cap
- Requiring Adult Expansion Medicaid beneficiaries with access to employer-sponsored insurance (ESI) to enroll in the available insurance, with the flexibility to exempt certain income groups from disenrollment if they fail to enroll
- Waiving Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) for 19 and 20 year old adults for the Medicaid Expansion.

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.

On August 28, 2019, the State submitted a waiver amendment to request authority to do the following:

- Enroll 1115 demonstration populations in managed care plans;
- Create and operate an integrated managed care pilot combining the physical health and behavioral health services in five Utah counties for the Adult Expansion Population (not including the Targeted Adult Population);
- Enroll beneficiaries in eight counties who are not enrolled in integrated care, in Utah’s Accountable Care organizations for their physical health service delivery system, and in Prepaid Mental Health Plans (PMHP) for their behavioral health services delivery system; and,
- Receive expenditure authority to add behavioral health services authorized under the waiver for those enrolled in managed care.

This waiver amendment is pending a decision from CMS.

Enrollment

The table below details the monthly enrollment numbers for the demonstration quarter for each demonstration group covered under the waiver. Adult Expansion enrollment continues to increase each month. Enrollment for the other demonstration groups remain fairly stable.

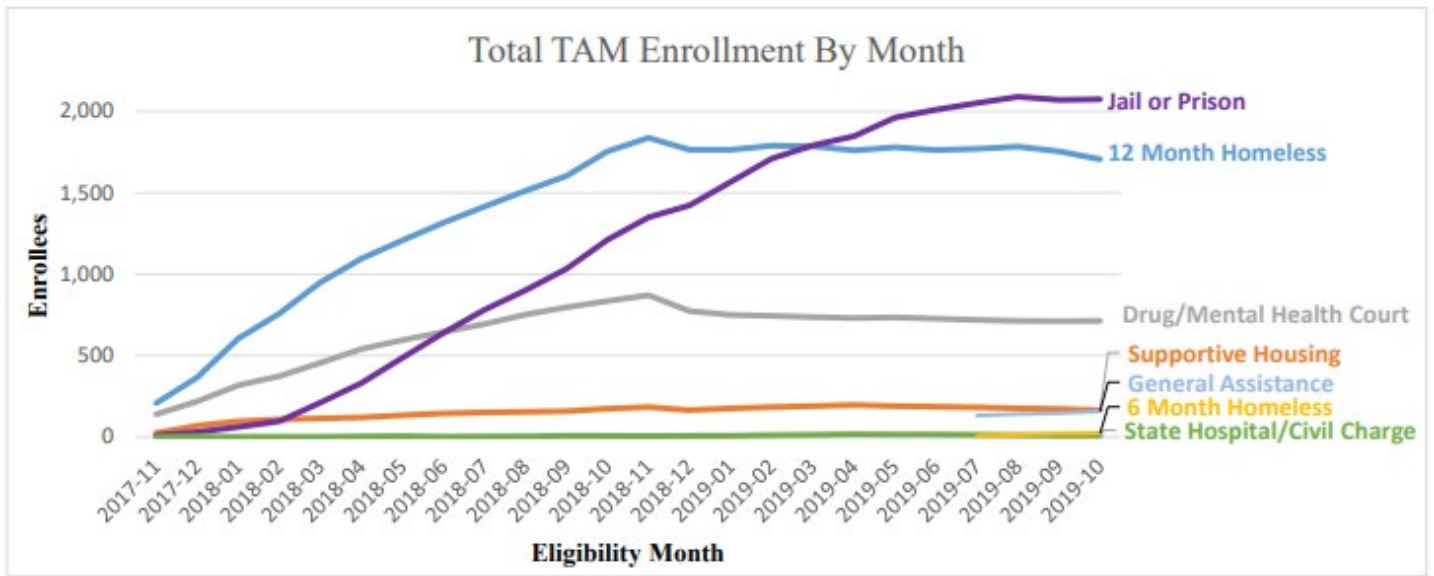
Demonstration Group	July 2019	August 2019	September 2019
Adult Expansion	31,775	32,587	33,317
Current Eligibles-PCR	24,531	24,431	23,941
Demonstration Population III, V, VI- Premium Assistance	691	706	697
Dental- Blind/Disabled	37,298	37,263	37,322
Former Foster Care Youth	11	11	10
Targeted Adults	4,489	4,538	4,520
Substance Use Disorder Residential Treatment	514	537	491
Targeted Adult Dental	566	571	561
Withdrawal Management	228	221	214

Notes:

- Enrollment numbers are shown as of 11/05/19. Numbers reflect all retroactive enrollment up to 11/05/19 and are subject to change with future retroactive enrollment.

Targeted Adult Medicaid and Substance Use Disorder Treatment

Targeted Adult Medicaid and the Substance Use Disorder IMD provision were both implemented in November 2017. Enrollment for Targeted Adult Medicaid and SUD residential treatment has showed minimal change in the last quarter. Below is detailed data on enrollment and expenditures for the TAM population. TAM members utilize the majority of SUD residential treatment.



FY20

TAM Category	2019-07	2019-08	2019-09	2019-10
12 Month Homeless	1,771	1,783	1,754	1,706
Supportive Housing	182	176	172	164
Drug/Mental Health Crt	720	713	711	713
Jail or Prison	2,051	2,090	2,070	2,075
State Hospital/Civil Chrg	14	12	10	10
6 Month Homeless	8	14	21	24
General Assistance	133	141	147	159
Total	4,879	4,929	4,885	4,851

Notes:

Enrollment as of November 13, 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.

Monthly Expenditures (in 1,000s)										FY19			FY20			Total
Service Type	2018-10	2018-11	2018-12	2019-01	2019-02	2019-03	2019-04	2019-05	2019-06	2019-07	2019-08	2019-09				
Residential Serv.	\$962	\$977	\$1,051	\$1,116	\$943	\$979	\$894	\$902	\$812	\$790	\$846	\$659	\$10,930			
Behavioral Health	\$608	\$601	\$514	\$590	\$550	\$629	\$821	\$929	\$843	\$892	\$891	\$784	\$8,654			
Emergency Room	\$438	\$403	\$367	\$462	\$401	\$458	\$412	\$421	\$427	\$448	\$451	\$356	\$5,045			
Inpatient Hospital	\$1,305	\$1,242	\$1,281	\$1,231	\$1,345	\$1,155	\$1,142	\$1,094	\$906	\$1,221	\$1,135	\$964	\$14,020			
Lab & Radiology	\$409	\$443	\$476	\$519	\$521	\$608	\$573	\$588	\$554	\$615	\$615	\$612	\$6,534			
Other Services	\$496	\$444	\$408	\$517	\$428	\$557	\$503	\$521	\$509	\$505	\$535	\$520	\$5,942			
Outpatient Hosp.	\$265	\$234	\$290	\$261	\$251	\$303	\$245	\$325	\$260	\$325	\$355	\$367	\$3,481			
MAT	\$242	\$244	\$221	\$260	\$244	\$277	\$275	\$278	\$262	\$290	\$272	\$268	\$3,134			
Non-MAT Pharm.	\$911	\$941	\$967	\$1,217	\$1,113	\$1,236	\$1,518	\$1,621	\$1,338	\$1,403	\$1,485	\$1,338	\$15,089			
Grand Total	\$5,636	\$5,530	\$5,577	\$6,172	\$5,796	\$6,202	\$6,383	\$6,679	\$5,911	\$6,489	\$6,586	\$5,868	\$72,829			

Distinct Members Served										FY19			FY20		
Service Type	2018-10	2018-11	2018-12	2019-01	2019-02	2019-03	2019-04	2019-05	2019-06	2019-07	2019-08	2019-09			
Residential Serv.	328	353	365	370	347	375	324	323	296	296	310	312			
Behavioral Health	1,066	1,144	1,087	1,100	1,157	1,156	1,180	1,280	1,243	1,296	1,261	1,195			
Emergency Room	517	513	467	577	493	522	527	508	554	566	569	501			
Inpatient Hospital	114	101	104	118	116	104	114	107	109	111	116	94			
Lab & Radiology	672	749	760	822	832	917	911	897	867	886	948	903			
Other Services	3,817	4,122	3,978	4,095	4,254	4,364	4,438	4,558	4,581	4,719	4,800	4,780			
Outpatient Hosp.	338	354	322	369	367	405	396	414	355	397	405	380			
MAT	373	399	376	403	416	450	458	480	459	483	479	502			
Non-MAT Pharm.	1,451	1,519	1,457	1,585	1,573	1,681	1,732	1,718	1,655	1,762	1,777	1,788			
Grand Total	3,863	4,169	4,044	4,175	4,326	4,430	4,476	4,609	4,634	4,775	4,844	4,814			

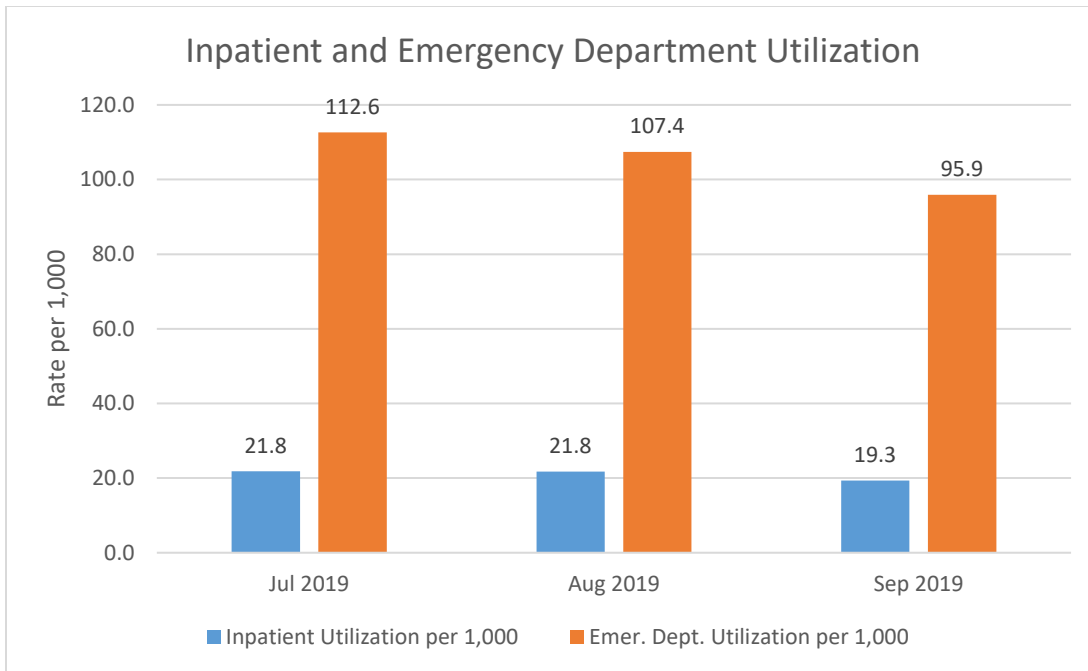
- Monthly expenditures represent total fund payments to providers. Expenditures may not precisely sum up to total due to rounding.
- These total fund amounts consist of federal funds, state restricted funds, and hospital share.
- Pharmacy expenses shown here are subject to future reductions due to rebates.
- 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.

Notes:

Enrollment as of November 13, 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 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.



	July 2019	August 2019	September 2019	Total
Inpatient	693	709	644	2,046
Emergency Dept.	3,579	3,501	3,196	10,276
Members	31,775	32,587	33,317	97,679

Anticipated Changes to Enrollment

Adult Medicaid

The State received CMS approval on March 29, 2019, to implement a community engagement requirement and employer-sponsored insurance (ESI) requirement for the Adult Expansion population. Both requirements will implement on January 1, 2020. The community engagement requirement requires individuals who do meet an exemption or good cause reason to participate in job training and job search activities during a three-month participation period. Failure to participate in this requirement will result in ineligibility. This may result in a decrease in enrollment. The ESI requirement requires individuals to enroll in, and maintain enrollment in their available ESI or they will lose eligibility. However, the State anticipates the majority of individuals will participate due to the State reimbursing individuals for the full amount of their monthly insurance premium.

As stated above, the State has submitted a waiver amendment to increase the income limit for the Adult Expansion population to 133 percent FPL, effectively implementing full Medicaid expansion. If approved, the State estimates an additional 40,000 individuals will be eligible for Adult Expansion.

Targeted Adults

As part of the recently submitted waiver amendment, the State is requesting to add additional eligibility subgroups to the Targeted Adult population. These subgroups include:

1. An individual who is a victim of domestic violence who is living or residing in a place not meant for human habitation, a safe haven or in an emergency shelter.
2. An individual who is court ordered to receive substance abuse or mental health treatment through a district court or Tribal court.
3. An individual on probation or parole with serious mental illness and/or serious substance use disorder.

The State estimates an additional 7,000 individuals will be eligible for Targeted Adult Medicaid if this request is approved by CMS.

Demonstration Population III-Premium Assistance (UPP)

If the increase to 133 percent FPL is approved for the Adult Expansion population, the State expects to see a decrease in enrollment for Demonstration Population III. This is because individuals who previously would have been eligible for UPP will become eligible for Adult Expansion.

Suspension of Medicaid Benefits

Based on legislation passed during the 2019 General Session of the Utah Legislature, effective December 1, 2019, the State will suspend Medicaid benefits for any Medicaid eligible individual who becomes incarcerated. This will allow the State to quickly reinstate Medicaid to individuals upon their release. While the State estimates this will only impact a small number of individuals, it will affect populations authorized under this demonstration.

Benefits

The State recently received approval of a pending waiver amendment to allow the State to provide additional services for at-risk children and youth. The State intends to add these benefits for eligible individuals in the near future. 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	July 2019	August 2019	September 2019	Total
Adult Expansion	1	1	0	2

Quarter One Appeals

There were two demonstration related appeals during quarter one. Both involved Adult Expansion Medicaid decisions. The first appeal involved a denial due to failure to complete medical support enforcement on an absent parent. A hearing was scheduled and notification sent. The member failed to attend the scheduled hearing and did not contact the hearings office. The department decision was affirmed. The second appeal involved an application denial for failure to provide verification. A hearing was scheduled and notification sent. The member failed to attend the scheduled hearing and did not contact the hearings office. The department decision was 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 four of the demonstration groups. Data for other demonstration groups is not available because they are related to specific benefits issued, rather than programs.

Application Processing-Average days to Approval

Program Type	July 2019	August 2019	September 2019
Current Eligibles-PCR	11.06	10.84	11.01
Adult Expansion	9.36	9.63	10.26
Targeted Adults	7.24	7.19	5.85
Premium Assistance-UPP	38.54	45.6	47.78

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

Financial/Budget Neutrality

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

Financial- Anticipated Changes

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

Annual Public Forum

The State plans to hold the required annual public forum during the December 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.

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.