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: 2 (10/01/2019-12/31/2019)

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 two 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, and adults with dependent children receiving Adult Expansion 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 133 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.
- Aged Dental and Porcelain Crowns- Provides state plan dental benefits to Medicaid beneficiaries age 65 and older). It also provides for porcelain crowns for Aged Medicaid members and TAM Medicaid members who are eligible for dental benefits (implementation date of March 1, 2020).
- Utah Medicaid Integrated Care- Allows the State to enroll Adult Expansion members in five Utah counties in an integrated managed care model, and to enroll Adult Expansion members from eight counties who are not enrolled in integrated managed care, in Utah's Accountable Care Organizations for their physical health services and in Prepaid Mental Health Plans for their behavioral health services. It also provides additional behavioral health services for the Adult Expansion and Current Eligibles populations.

- Intensive Stabilization Services (ISS)- Enables the State to provide ISS to Medicaid eligible children/youth under age 21 in state custody or at risk of state custody experiencing significant emotional and behavioral challenges (projected implementation date of April 1, 2020).

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

Suspension of Medicaid Benefits

On December 1, 2019, suspension of benefits was implemented for all Medicaid programs. If it is reported that an individual is incarcerated, the State will suspend Medicaid benefits until the individual is no longer incarcerated. The table below details the number of individuals in each demonstration population whose Medicaid benefits were suspended due to incarceration for the implementation month of December. Demonstration populations are only listed if an impacted individual was placed in suspense status.

Demonstration Population	Number of Individuals with Medicaid Suspended in December 2019
Adult Expansion	40
Dental-Blind/Disabled	23
Targeted Adult Medicaid	22
Current Eligibles	2
Total	87

Adult Expansion

As mentioned in the most recent monitoring report, the State submitted a waiver amendment to fulfill additional requirements of Senate Bill 96 "Medicaid Expansion Adjustments". This waiver amendment included 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 received approval on December 23, 2019 to implement the following proposals from this amendment request:

- 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
- Implement a community engagement requirement for the Adult Expansion population
- Require 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
- Expanded subgroup definitions for the Targeted Adult Medicaid population.

With this amendment approval, the State also received a denial of its requests to implement an enrollment cap for Adult Expansion, as well as a waiver of EPSDT benefits for 19 and 20 year olds for the Medicaid Expansion. The remaining proposals are pending a decision from CMS.

The State implemented the approved provisions on January 1, 2020. Progress of these demonstration groups will be reported on in the next monitoring report.

Utah Medicaid Integrated Care
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.

CMS approval to implement these provisions was also received on December 23, 2020, and implemented on January 1, 2020.

Dental Benefits for Aged Medicaid Members and Porcelain Crowns
The State also received approval on December 23, 2019, to provide state plan dental benefits for Medicaid eligible individuals, age 65 and older (referred to as Aged Medicaid beneficiaries). This approval also allows 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. Implementation of these benefits is planned for March 1, 2020.

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 or show slight fluctuations.

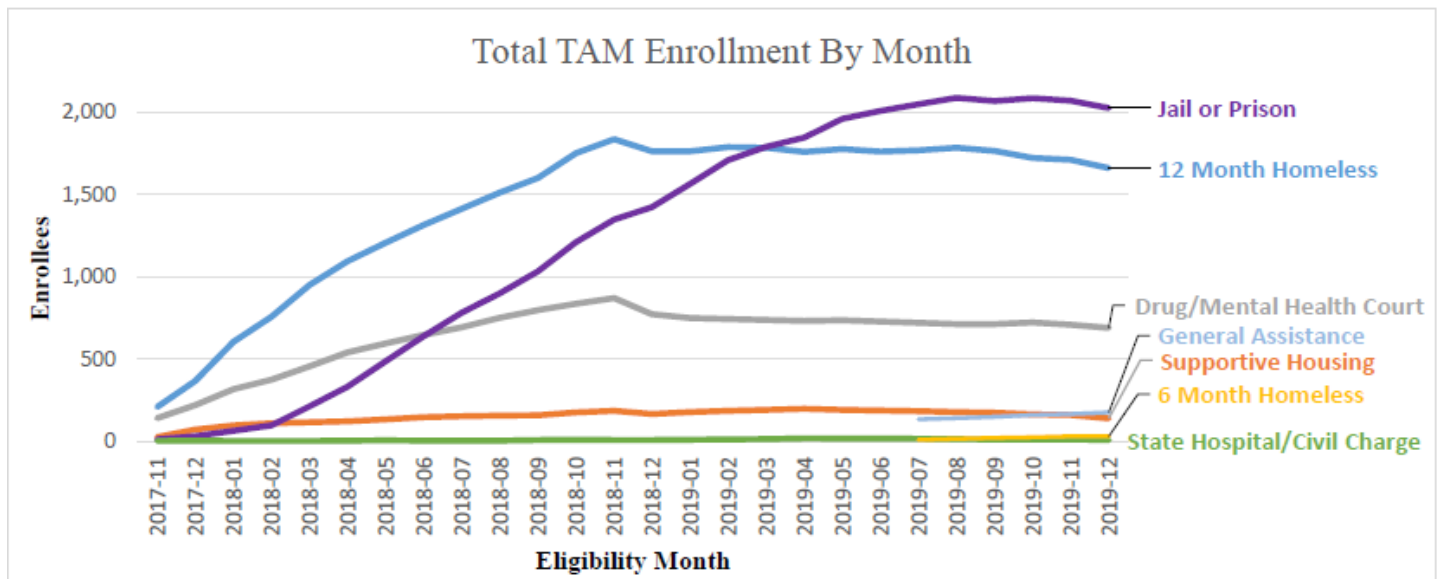| Demonstration Population	October 2019	November 2019	December 2019
Adult Expansion	34,974	36,388	37,434
Current Eligibles-PCR	23,662	23,240	22,954
Demonstration Population III, V, VI- Premium Assistance	681	650	639
Dental- Blind/Disabled	37,325	37,299	37,355
Former Foster Care Youth	12	10	11
Targeted Adults	4,472	4,445	4,393
Substance Use Disorder Residential Treatment	625	612	585
Targeted Adult Dental	750	743	718
Withdrawal Management	228	221	221

- Enrollment numbers are shown as of 01/31/20. Numbers reflect all retroactive enrollment up to 01/31/20 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 continue to utilize the majority of SUD residential treatment.

Targeted Adult Medicaid (TAM) Enrollment by Subgroup

Total TAM Enrollment By Month

FY20

TAM Category	2019-07	2019-08	2019-09	2019-10	2019-11	2019-12
12 Month Homeless	1,771	1,786	1,767	1,724	1,712	1,663
Supportive Housing	182	176	172	164	159	139
Drug/Mental Health Crt	720	712	712	723	708	690
Jail or Prison	2,051	2,090	2,071	2,087	2,072	2,028
State Hospital/Civil Chrg	14	12	10	10	11	7
6 Month Homeless	8	14	21	24	30	29
General Assistance	133	141	147	160	165	175
Total	**4,879**	**4,931**	**4,900**	**4,892**	**4,857**	**4,731**

Notes:
Enrollment as of January 9, 2020. 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.
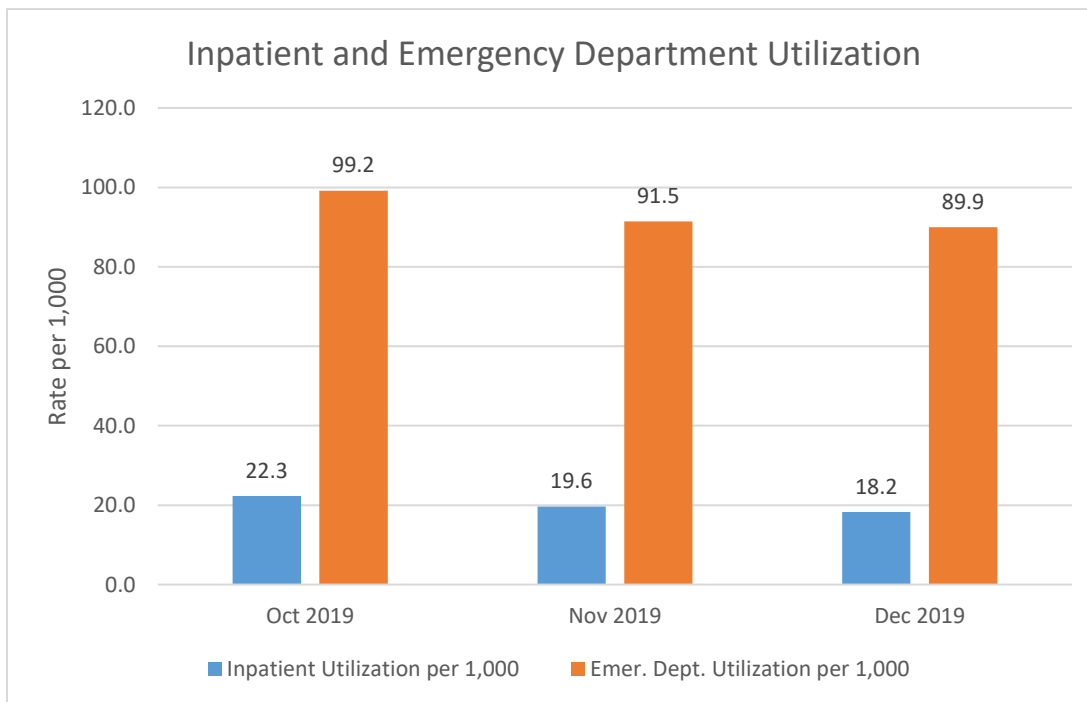
Monthly Expenditures (in 1,000s)						FY19		FY20				
Service Type	2018-12	2019-01	2019-02	2019-03	2019-04	2019-05	2019-06	2019-07	2019-08	2019-09	2019-10	2019-11	Total
Residential Serv.	$1,051	$1,116	$943	$979	$894	$902	$812	$790	$846	$673	$831	$792	$10,628
Behavioral Health	$515	$591	$551	$632	$824	$933	$849	$907	$915	$838	$1,033	$784	$9,371
Emergency Room	$369	$464	$401	$462	$411	$425	$432	$458	$460	$389	$378	$327	$4,975
Inpatient Hospital	$1,262	$1,254	$1,346	$1,185	$1,162	$1,121	$906	$1,248	$1,153	$1,045	$861	$1,226	$13,767
Lab & Radiology	$476	$519	$521	$609	$575	$595	$562	$625	$626	$633	$694	$582	$7,018
Other Services	$408	$519	$430	$559	$505	$529	$514	$516	$552	$544	$571	$447	$6,093
Outpatient Hosp.	$290	$261	$251	$303	$245	$332	$260	$334	$365	$381	$256	$254	$3,531
MAT	$221	$260	$244	$275	$275	$278	$262	$290	$272	$268	$315	$255	$3,216
Non-MAT Pharm.	$967	$1,217	$1,113	$1,236	$1,518	$1,620	$1,338	$1,403	$1,485	$1,339	$1,525	$1,481	$16,242
Grand Total	**$5,560**	**$6,201**	**$5,800**	**$6,238**	**$6,409**	**$6,734**	**$5,934**	**$6,571**	**$6,673**	**$6,110**	**$6,464**	**$6,149**	**$74,841**

Distinct Members Served							FY19			FY20		
Service Type	2018-12	2019-01	2019-02	2019-03	2019-04	2019-05	2019-06	2019-07	2019-08	2019-09	2019-10	2019-11
Residential Serv.	365	370	347	375	324	323	296	296	310	320	324	279
Behavioral Health	1,087	1,100	1,159	1,160	1,183	1,284	1,259	1,320	1,301	1,265	1,282	1,105
Emergency Room	470	577	494	523	528	511	557	568	573	511	520	481
Inpatient Hospital	104	119	118	104	115	108	108	112	118	97	102	92
Lab & Radiology	760	824	832	919	916	904	880	902	976	964	1,006	876
Other Services	3,978	4,095	4,254	4,364	4,440	4,558	4,581	4,721	4,801	4,780	4,760	4,713
Outpatient Hosp.	322	369	367	407	397	416	358	401	416	389	380	358
MAT	376	403	416	449	460	481	459	483	479	502	517	409
Non-MAT Pharm.	1,457	1,585	1,573	1,681	1,732	1,718	1,654	1,763	1,778	1,789	1,808	1,733
Grand Total	4,044	4,175	4,326	4,431	4,478	4,611	4,635	4,778	4,849	4,820	4,815	4,758

- 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.

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.

Inpatient and Emergency Department Utilization

	October 2019	November 2019	December 2019	Total
Inpatient	780	714	683	2,177
Emergency Dept.	3,468	3,328	3,367	10,163
Members	34,974	36,388	37,434	108,796

Anticipated Changes to Enrollment

Adult Medicaid

As stated above, the State implemented full expansion to 133 percent FPL, the community engagement requirement, and an employer-sponsored insurance (ESI) requirement for the Adult Expansion population. These provisions were implemented on January 1, 2020. The community engagement requirement requires individuals who do not 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. However, the first month this might occur is June 2020. 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. The State anticipates an increase in enrollment of 40,000 individuals due to the income limit increase to 133 percent FPL.

Targeted Adults

As part of the recently approved waiver amendment, the State has expanded the eligibility subgroups for 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 eventually be eligible for Targeted Adult Medicaid with this implementation.

Demonstration Population III-Premium Assistance (UPP)

With the increase to the Adult Expansion income limit to 133 percent FPL, 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.

Benefits

As mentioned above, CMS recently denied the State's request to continue to waive EPSDT benefits for 19 and 20 year olds in the Adult Expansion and Targeted Adult Populations. Due to this denial, the State implemented EPSDT benefit coverage for these populations on January 1, 2020.

The State recently received approval of a pending waiver amendment to allow the State to provide additional services for at-risk children and youth, referred to as Intensive Stabilization Services. The State intends to add these benefits for eligible individuals in April 2020.

As previously mentioned, the State plans to implement dental benefits for Aged Medicaid members, as well as porcelain crowns, on March 1, 2020. The State anticipates approximately 9,000 Aged Medicaid members will receive dental benefits, and approximately 3300 individuals may receive porcelain crowns.

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	October 2019	November 2019	December 2019	Total
Adult Expansion	2	0	0	2
Demonstration Population III, V, VI-Premium Assistance	0	0	1	1

Quarter Two Appeals

There were three demonstration related appeals during quarter two. Two involved Adult Expansion Medicaid decisions, and one was for the UPP program. Below are details for each appeal.

- The first appeal involved an overpayment decision for Adult Expansion. The individual failed to attend the hearing. The overpayment decision was affirmed.
- The second appeal involved a denial of Adult Expansion due to exceeding the income limit for the program. The individual failed to attend the hearing. The denial decision was affirmed.
- The third appeal involved an overpayment decision for the UPP program. The individual claimed to have children living with him and an UPP payment was issued. The children were found to not be living with him any percentage of time. The 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	October 2019	November 2019	December 2019
Current Eligibles-PCR	11.17	10.07	12.53
Adult Expansion	9.79	10.17	11.61
Targeted Adults	5.62	7.04	9.23
Premium Assistance-UPP	56.08	42.30	29.58

**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 for Adult Expansion and dental benefits for Aged Medicaid members. The financial impact of these amendments will be reported in a future report.

Annual Public Forum

The State held the required annual public forum during the December 2019 Medical Care Advisory Committee (MCAC) meeting. The State presented an overview of the waiver populations authorized under the 1115 demonstration waiver. No comments were offered. However, two individuals asked questions regarding non-traditional and traditional benefits received by waiver populations. The questions were in regards to whether the State needs to continue with non-traditional benefits, and if it would be less expensive to just administer traditional state plan benefits. Nate Checketts, Medicaid Director, explained that non-traditional benefits are still needed to achieve savings to administer other waiver programs and benefits, and that the State does not believe savings would be achieved if all Adult Expansion members received traditional state plan benefits.

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 received feedback from CMS on the revised evaluation design, and is currently making revisions to address the feedback. Once the evaluation design has been approved, SRI will complete the required evaluation.