



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: 3 (01/01/2020-03/31/2020)

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 population. 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 three 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 state plan 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-Provides state plan dental benefits to Medicaid beneficiaries age 65 and older.
- Utah Medicaid Integrated Care (UMIC)- Allows the State to 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)
- Intensive Stabilization Services (ISS) - Allows the State to provide intensive stabilization services to Medicaid eligible children/youth under age 21 in state custody, or at risk of state custody, experiencing significant emotional and/or behavioral challenges.

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, 2020, 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 released from incarceration. The table below details the number of individuals in each demonstration population whose Medicaid benefits were suspended due to incarceration for the demonstration quarter. Demonstration populations are only listed if an impacted individual was placed in suspense status. A significant increase in suspension was experienced during this quarter. However, the previous quarter only included one month of individuals in suspension status.

Demonstration Population	Number of Individuals with Medicaid Suspended January-March 2020
Adult Expansion	233
Dental-Blind/Disabled	58
Targeted Adult Medicaid	172
Current Eligibles	14
Dental-Aged	6
Total	483

Adult Expansion

As mentioned in the previous monitoring report, the State received approval on December 23, 2019 to implement the following amendment proposals:

- 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.

As a result of the implementation of “full” Medicaid expansion on January 1st, Adult Expansion enrollment increased from 37,434 individuals in December 2019, to 44,640 individuals in March 2020. The State continues to see an increase in enrollment for this demonstration population, and expects this increase to continue due to the COVID-19 pandemic.

The State also implemented the employer-sponsored insurance (ESI) requirement for Adult Expansion beneficiaries on January 1, 2020. The State has experienced a slow uptake of ESI. However, the number of individuals enrolling in ESI continues to increase each month. Only two individuals lost eligibility during this quarter as a result of failing to enroll in their ESI plan.

The community engagement requirement was also implemented on January 1, 2020. However, due to the COVID-19 pandemic the State made the decision to suspend the requirement as of April 1, 2020. As a result, no Adult Expansion beneficiaries lost eligibility due to the requirement. The requirement will remain suspended until a later date.

Pending Amendment Requests

As mentioned in the quarter two 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, which are pending a decision from CMS:

- 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
- 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
- Implement defined flexibilities and cost savings provisions for the Medicaid Expansion through the state administrative rulemaking process within the parameters defined by the waiver amendment
- Additional flexibility for providing services through managed care for all Medicaid members.

Utah Medicaid Integrated Care

The State received waiver approval on December 23, 2019 to implement Utah Medicaid Integrated Care (UMIC). This was implemented on January 1, 2020. This approval gives the State authority to:

- 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.

As a result of UMIC implementation, approximately 26,627 Adult Expansion beneficiaries have been enrolled in UMIC plans. Utah Medicaid contracted with Steward Health Choice, SelectHealth Community Care, Healthy U and Molina to administer the UMIC plans. The UMIC plans operate in five of Utah’s urban counties; Weber, Davis, Salt Lake, Utah, and Washington.

The integrated UMIC plans have allowed individuals to receive care coordination from one plan that has all of the member’s information. This will help the individual get the appropriate services, where in the past the payers were unaware of the other services the individual was receiving under a different managed care plan.

The UMIC plans have had several issues with incorporating behavioral health claims processing into their systems. Utah Medicaid has idiosyncrasies in the manner that it pays claims, and modifying the UMIC plan’s claims processing systems has been a challenge. There have been payment delays for many providers as issues are being worked through. However, the State continues to work with the UMIC plans to resolve any issues.

Dental Benefits for Aged Medicaid Members and Porcelain Crowns

The State 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. These benefits were implemented on March 1, 2020. Due to the COVID-19 pandemic, the ability to access dental services has been limited. Shortly after implementation, the University of Utah School of Dentistry and its contracted providers, were only allowed to provide emergency only services, resulting in only 53 individuals receiving services in March. However, restrictions were lifted on May 18th, and full dental services are now being provided. The State will report on any impacts in future monitoring reports.

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. However, with the implementation of employer-sponsored insurance for the Adult Expansion population, enrollment in ESI has increased each month as additional individuals are identified as having access to ESI.

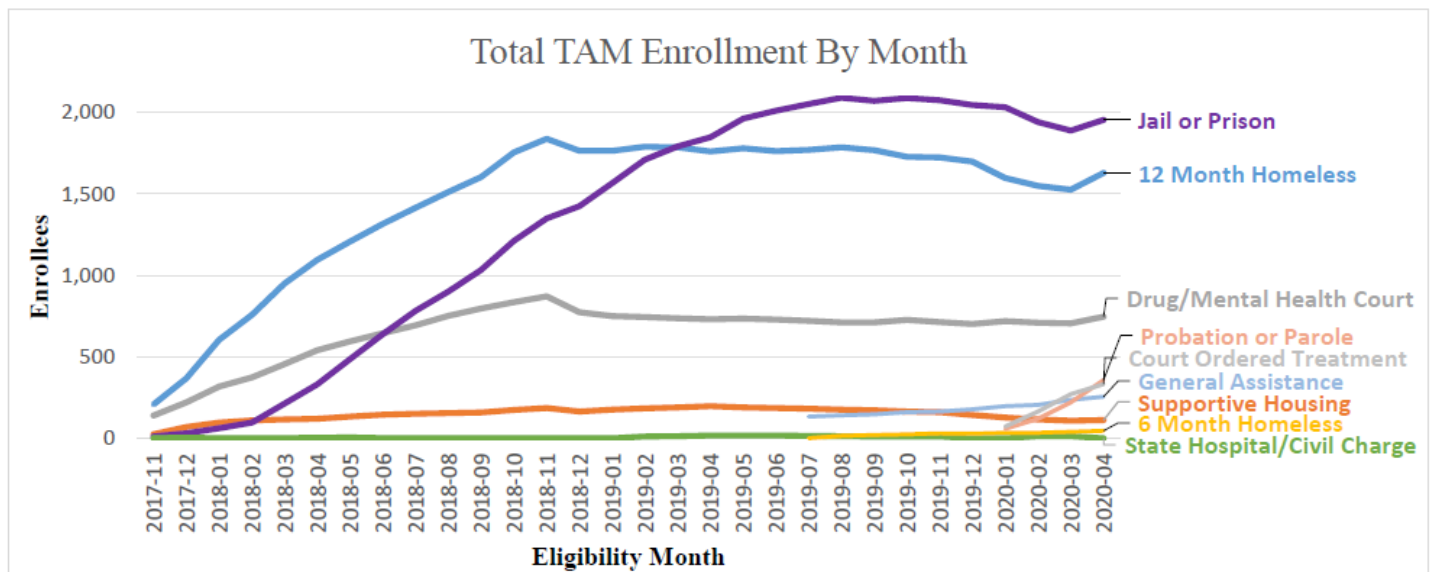
Demonstration Population	January 2020	February 2020	March 2020
Adult Expansion	41,381	42,872	44,640
Current Eligibles-PCR	23,147	22,965	23,109
Demonstration Population III, V, VI- Premium Assistance	653	590	574
Dental- Blind/Disabled	37,255	37,358	37,277
Former Foster Care Youth	16	14	15
Targeted Adults	4,317	4,317	4,484
Substance Use Disorder Residential Treatment	544	564	582
Targeted Adult Dental	894	880	844
Withdrawal Management	223	232	211
Aged Dental	N/A	N/A	53
Utah Medicaid Integrated Care	23,506	25,466	26,627
Employer-Sponsored Insurance	25	97	121

- Enrollment numbers are shown as of 5/21/20. Numbers reflect all retroactive enrollment up to 5/21/20 and are subject to change with future retroactive enrollment.

Targeted Adult Medicaid and Substance Use Disorder Treatment

Enrollment for Targeted Adult Medicaid and utilization of SUD residential treatment increased in this quarter. Below is detailed data on enrollment and expenditures for the TAM population. TAM members continue to utilize the majority of SUD residential treatment amongst Medicaid recipients.

Targeted Adult Medicaid (TAM) Enrollment by Subgroup

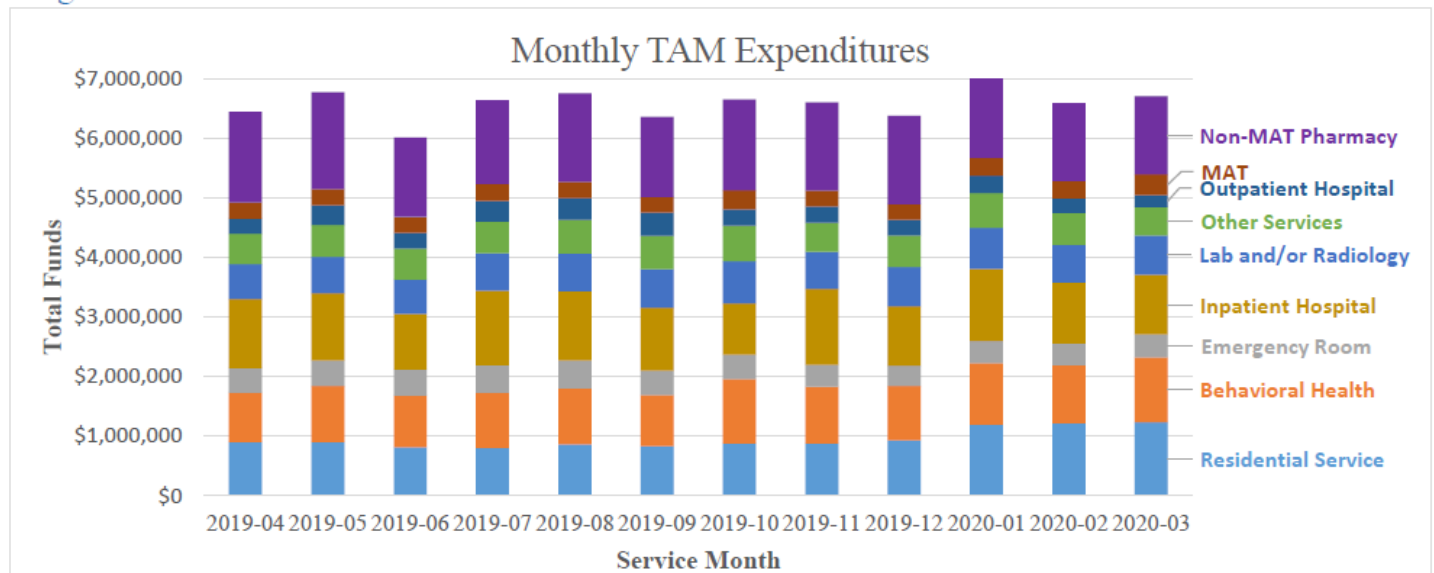


TAM Category	2019-07	2019-08	2019-09	2019-10	2019-11	2019-12	2020-01	2020-02	2020-03	2020-04
12 Month Homeless	1,771	1,786	1,768	1,727	1,723	1,698	1,598	1,549	1,526	1,628
Supportive Housing	182	176	172	165	160	143	127	115	108	111
Domestic Violence							*	*	*	*
Court Ordered Treatmnt							72	164	270	332
Drug/Mental Health Crt	720	712	712	726	714	701	718	709	706	746
Jail or Prison	2,051	2,090	2,071	2,088	2,075	2,046	2,031	1,941	1,889	1,954
State Hospital/Civil Chrg	14	12	10	10	11	*	*	12	12	*
6 Month Homeless	*	14	21	24	30	29	35	34	40	46
Probation or Parole							58	119	221	357
General Assistance	133	141	147	161	165	178	197	205	235	255
Total	4,871	4,931	4,901	4,901	4,878	4,795	4,836	4,848	5,007	5,429

Notes:

Enrollment as of May 15, 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.

Targeted Adult Medicaid Reimbursements



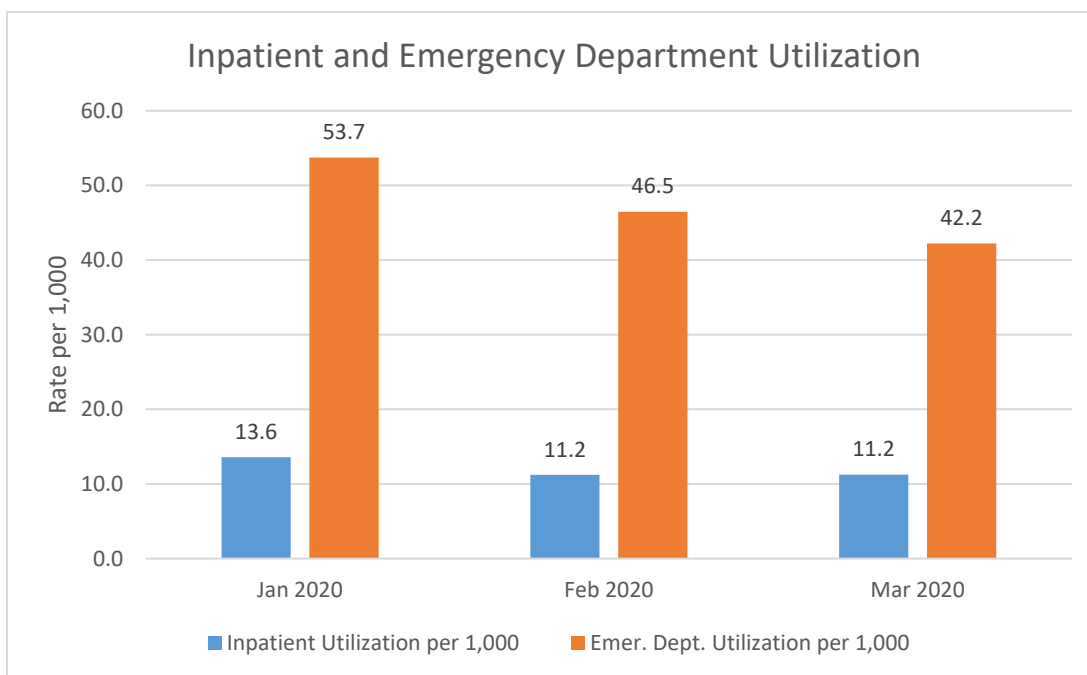
Distinct Members Served				FY20								
Service Type	2019-04	2019-05	2019-06	2019-07	2019-08	2019-09	2019-10	2019-11	2019-12	2020-01	2020-02	2020-03
Residential Serv.	325	323	299	301	313	325	333	314	333	416	447	469
Behavioral Health	1,191	1,296	1,286	1,351	1,346	1,310	1,350	1,286	1,192	1,319	1,289	1,322
Emergency Room	528	514	560	575	573	517	530	497	506	497	487	526
Inpatient Hospital	115	108	110	113	119	98	106	96	97	108	96	105
Lab & Radiology	920	905	885	903	985	971	1,027	968	1,001	1,110	1,132	1,191
Other Services	4,443	4,561	4,583	4,724	4,807	4,785	4,764	4,718	4,676	4,587	4,662	4,870
Outpatient Hosp.	399	419	360	406	421	400	393	368	359	417	425	353
MAT	460	482	459	483	480	502	518	479	496	540	483	599
Non-MAT Pharm.	1,732	1,718	1,654	1,763	1,778	1,790	1,810	1,738	1,769	1,808	1,816	1,922
Grand Total	4,480	4,612	4,636	4,779	4,854	4,827	4,820	4,776	4,720	4,710	4,739	4,930

- 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 annual 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.

For the third quarter, inpatient and emergency department utilization both indicate a decrease from the previous quarter. This occurred despite an increase in Adult Expansion enrollment for the quarter.



	January 2020	February 2020	March 2020	Total
Inpatient	562	481	502	1,545
Emergency Dept.	2,223	1,992	1,885	6,100
Members	41,381	42,872	44,640	128,893

Anticipated Changes to Enrollment

Adult Expansion 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. The State anticipates a continued increase in Adult Expansion enrollment as additional individuals apply for the program. In addition, due to the Families First Coronavirus Response Act, the State will continue eligibility for individuals during the emergency period, in order to receive enhanced funding. This will impact Adult Expansion enrollment as the State continues eligibility for these individuals, regardless of household changes.

The ESI requirement requires individuals to enroll in, and maintain enrollment in their available ESI or they will lose eligibility. 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 does not anticipate this requirement will have much impact on enrollment.

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

The State 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 implemented these benefits on May 1, 2020, and will report on the progress in a future monitoring report.

As previously mentioned, the State implemented dental benefits for Aged Medicaid members, as well as porcelain crowns, on March 1, 2020. The State anticipates service utilization will increase as individuals are able to receive full

dental services. Approximately 9,000 Aged Medicaid members are eligible to receive state plan dental services, and approximately 3,300 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	January 2020	February 2020	March 2020	Total
Adult Expansion	0	0	2	2

Quarter Three Appeals

There were two demonstration related appeals during quarter three. Both involved Adult Expansion Medicaid decisions. Below are details for each appeal.

- The first appeal involved a denial decision for Adult Expansion. Medicaid was denied due to the individual not providing needed verification to make an eligibility determination. The individual failed to attend the hearing. The denial decision was affirmed.
- The second appeal involved a denial of Adult Expansion. Medicaid was denied due to the individual not providing needed verification to make an eligibility determination. The individual attended the hearing and stated he did not provide verification because he was out of the county working. The denial decision was affirmed by the agency.

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	January 2020	February 2020	March 2020
Current Eligibles-PCR	12.18	12.42	10.41
Adult Expansion	13.66	13.58	11.85
Targeted Adults	10.96	9.16	8.67
Premium Assistance-UPP	37.73	33.56	48.92

**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. The State is awaiting further clarification regarding the budget neutrality documents. The documents will be submitted to CMS at a later date, once clarification is received.

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 due to the expected increase in enrollment for Adult Expansion and dental benefits for Aged Medicaid members. The financial impact of these amendments will also 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 results of the forum were reported in the quarter two monitoring report. The next annual public forum will be held at the end of 2020.

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