

**State:** Utah

**Demonstration Name:** Primary Care Network

**Description & Status:**

Utah's Primary Care Network (PCN) is a statewide section 1115 demonstration to extend coverage for primary health care services to certain able-bodied adults, and to expand coverage options for children who are eligible for the Children's Health Insurance Program (CHIP). Under the demonstration, up to 25,000 uninsured adults age 19 to 64 with family incomes up to 95 percent of the Federal Poverty Level (FPL) can receive coverage for a limited package of preventive and primary care services, known as the Primary Care Network program. The state also covers high-risk pregnant women, whose resources make them ineligible for Medicaid, but who are provided all state plan benefits and cost-sharing protections. Certain Medicaid state plan eligibles (referred to as Current Eligibles or Non-Traditional Medicaid) receive a slightly reduced Medicaid state plan benefit package under the demonstration, which provides savings necessary to fund the eligibility expansions. Adults up to 200 percent of the FPL may elect to receive premium assistance toward the purchase of an approved employer-sponsored health plan or continuation of such coverage under COBRA, and CHIP eligible children with household income up to 200 percent of the FPL can (at the choice of the adult) elect ESI or COBRA as an alternative to direct coverage provided the coverage meets the minimum benefit requirements. Adult children, age 19-26, whose parents elect to receive premium assistance for employer-sponsored insurance can also be covered. The state provides wrap around coverage for children's dental benefits if they are not offered in the ESI or COBRA plans.

Fundamental program initiatives include the following:

- Reduce the rates of uninsured in the state by extending a limited benefit package to individuals that would not otherwise be eligible under the Medicaid state plan;
- Provide premium assistance to expansion populations for private insurance (employer-sponsored or COBRA coverage) to provide an alternative to direct public coverage.

**Populations:**

- **Current Eligibles (Non-Traditional Medicaid)** derive eligibility from the state plan but coverage for this eligibility group is affected under the demonstration. The following individuals are classified as Current Eligibles: 1) adults age 19 and older who are eligible through section 1925 and 1931 of the Act, and 2) adults age 19 through 64 who are medically needy and not aged, blind, or disabled.
- **Demonstration Population I (PCN Eligibles)** is comprised of parent/caretaker or non-custodial/childless adults age 19 to 64, with gross family income up to 95 percent of the FPL.
- **Demonstration Population II** is comprised of high-risk pregnant women with income in excess of limits established under the state plan.
- **Demonstration Population III** is comprised of working adults and their spouses age 19 through 64, and their adult children, age 19-26, with countable gross family incomes up to and including 200 percent of the

FPL, who would be eligible under Demonstration Population I, but who elect instead to receive premium assistance to participate in an approved employer-sponsored health plan.

- **Current Eligible CHIP Children** are individuals up to 19 with family income up to and including 200 percent of the FPL who would meet the definition of a targeted low-income child. These children are eligible for the CHIP, but the children's parents have elected to receive premium assistance for the employee's share of the cost of ESI instead of receiving CHIP direct coverage.
- **Demonstration Population V** is comprised of adults age 19 through 64 with countable gross family incomes up to and including 200 percent of the FPL, who would be eligible to participate in the demonstration as a member of Demonstration Population III, but who are eligible for COBRA-coverage rather than ESI.
- **Demonstration Population VI** mirrors the qualifications of the Current Eligible CHIP Children group, but the children's parents have elected to enroll in COBRA coverage. These children can opt into direct coverage at any time.

<b>Approval Date:</b>	February 8, 2002
<b>Effective Date:</b>	July 1, 2002
<b>Renewal Date:</b>	July 1, 2007
<b>Expiration Date:</b>	June 30, 2010
<b>Renewal Date:</b>	July 1, 2010
<b>Expiration Date:</b>	June 30, 2013
<b>Temporary Extension Date:</b>	June 19, 2013
<b>Temporary Extension Date:</b>	November 15, 2013
<b>Renewal Date:</b>	December 24, 2013
<b>Expiration Date:</b>	December 31, 2014
<b>Renewal Date:</b>	December 19, 2014
<b>Expiration Date:</b>	December 31, 2015

## **UTAH PRIMARY CARE NETWORK (PCN) 1115 DEMONSTRATION FACT SHEET**

**Name of Section Demonstration/Waiver:** Primary Care Network (PCN)

**Date Proposal Submitted:** December 11, 2001

**Date Proposal Approved:** February 8, 2002

**Date Implemented:** July 1, 2002

**Date Expired:** June 30, 2007

**Date Renewal Submitted:** June 23, 2006

**Date Extension Approved:** December 21, 2006

**Date Implemented:** July 1, 2007

**Extension Expiration:** June 30, 2010

**Date Renewal Submitted:** March 1, 2010

**Date Extension Approved:** June 25, 2010

**Date Implemented:** July 1, 2010

**Extension Expiration:** June 30, 2013

**Date Renewal Submitted:** December 19, 2012

**Date Extension Approved:** December 24, 2013

**Extension Expiration:** December 31, 2014

**Date Renewal Submitted:** June 18, 2014

**Date Extension Approved:** December 19, 2014

**Extension Expiration:** December 31, 2015

### **SUMMARY**

Utah's Primary Care Network (PCN) is a statewide section 1115 demonstration to extend coverage for primary health care services to certain able-bodied adults, and to expand coverage options for children who are eligible for the Children's Health Insurance Program (CHIP). Under the demonstration, up to 25,000 uninsured adults age 19 to 64 with family incomes up to 95 percent of the Federal Poverty Level (FPL) can receive coverage for a limited package of preventive and primary care services, known as the Primary Care Network. Alternatively, these individuals may elect to receive premium assistance toward the purchase of an approved employer-sponsored health plan or continuation of such coverage under COBRA. The state also covers high-risk pregnant women, whose resources make them ineligible for Medicaid, but who are provided all state plan benefits and cost-sharing protections. Certain Medicaid state plan eligibles (referred to as Current Eligibles or Non-Traditional Medicaid) receive a slightly reduced Medicaid state plan benefit package under the demonstration, which provides savings necessary to fund the eligibility expansions. Finally, CHIP eligible children with household

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income up to 200 percent of the FPL can (at the choice of the adult) elect ESI or COBRA as an alternative to direct coverage provided the coverage meets the minimum benefit requirements. The state provides wrap around coverage for dental benefits if they are not offered in the ESI or COBRA plans.

The PCN demonstration was amended in October 2006 to also use demonstration savings to offer assistance with payment of premiums for employer-sponsored health insurance (ESI) through Utah's Premium Partnership for Health Insurance (UPP). The UPP program uses Title XIX funds to provide up to \$150 per month in ESI premium assistance to each uninsured working adult and adult child, age 19-16, in families with income up to 200 percent FPL. UPP also uses Title XXI funds to provide premium assistance up to \$120 per month per child for CHIP eligible children with family income up to 200 percent FPL. UPP children receive dental coverage through direct CHIP coverage or they receive an additional \$20 per month if they receive dental coverage through the ESI. On March 1, 2010, the State of Utah formally requested an extension of the PCN demonstration under the authority of Section 1115(f) of the Social Security Act.

### **AMENDMENTS**

See the Additional Amendment Section for more information on Amendments.

Amendment #10 Submitted: June 30, 2009

Amendment #10 Approved: December 18, 2009

This amendment enables the state to provide premium assistance to programmatically-eligible children (up to 200 percent of the FPL) and adults (up to 150 percent of the FPL) for health insurance coverage obtained under provisions of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). The premium assistance payments are limited to the maximums set in the ESI program, last for the period of COBRA coverage, and do not exceed the family's share of the cost of the premium or the maximum amounts allowable as determined by the state.

Amendment #11 Submitted: May 29, 2012

Amendment #11 Approved: September 28, 2012

This amendment expands eligibility for premium assistance for adults (Demonstration populations III and V) from 150% to 200% of the FPL.

Amendment #12 Submitted: July 7, 2014

Amendment #12 Approved: December 19, 2014

This amendment lowers the eligibility of Demonstration Population I from 100 percent to 95 percent of the FPL, which is effectively 100 percent of the FPL with the 5 percent income disregard.

Amendment #13 Submitted: July 7, 2014

Amendment #13 Approved: December 19, 2014

This amendment expands eligibility for premium assistance to adult children, age 19-26, of those who are in Demonstration populations III.

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## **ELIGIBILITY**

**Current Eligibles (Non-Traditional Medicaid):** Eligibility is derived from the state plan but coverage for this eligibility group is affected under the demonstration. The following individuals are classified as Current Eligibles: 1) adults age 19 and older who are eligible through section 1925 and 1931 of the Act, and 2) adults age 19 through 64 who are medically needy and not aged, blind, or disabled. There is no enrollment limit for this group.

**Demonstration Population I (PCN Eligibles):** Eligibility is derived under the demonstration for uninsured individuals age 19 through 64 with countable gross family income above the FPL level for the Current Eligible group and at or below 95 percent of the FPL. This eligibility group receives limited preventative care package through the Primary Care Network. This population is divided into two groups: 1) Custodial Parents/Caretaker Relatives meeting the above-mentioned income requirements, subject to an annual enrollment limit of 16,000 individuals, and 2) Childless Adults/Non-Custodial Parents meeting the above-mentioned income requirements, subject to an annual enrollment limit of 9,000 individuals.

**Demonstration Population II:** Pregnant women deemed by the state to be high risk with incomes in excess of the limit established under the state plan. There is no enrollment limit for this group.

**Demonstration Population III:** This eligibility group is comprised of working adults and their spouses age 19 through 64, and their children who are ages 19 through 26, with countable gross family incomes up to and including 200 percent of the FPL, who would be eligible to participate in the demonstration as a member of Demonstration Population I, but who elect instead to receive premium assistance to participate in an UPP-approved employer-sponsored health plan. There is no enrollment limit for this group.

As of the 2010 renewal, there is no Demonstration Population IV. This group is now referred to as the Current Eligible CHIP Children, which is comprised of children up to age 19 with family income up to and including 200 percent of the FPL who would meet the definition of a targeted low-income child. These children are eligible for the CHIP, but the children's parents have elected to receive premium assistance for the employee's share of the cost of ESI instead of receiving CHIP direct coverage. There is no enrollment cap applied to this population. These children can opt back into direct coverage at any time.

**Demonstration Population V:** This eligibility group is comprised of adults age 19 through 64 with countable gross family incomes up to and including 200 percent of the FPL, who would be eligible to participate in the Demonstration as a member of Demonstration Population III, but who are eligible for COBRA-coverage rather than ESI. There is an annual enrollment limit of 5,000 individuals.

**Demonstration Population VI:** This eligibility group mirrors the qualifications of the Current Eligible CHIP Children group, but the children's parents have elected to enroll in COBRA coverage. These children can opt into direct coverage at any time. There is no enrollment cap applied to this population.

## **DELIVERY SYSTEM**

Depending on the place of residence, Current Eligibles (Non-Traditional Medicaid) may receive services through managed care or fee-for-service (FFS). The Primary Care Network benefit package is delivered through FFS as is the benefit for Demonstration Population II (high-risk pregnant women). The benefit for Demonstration Populations III, V, and VI is solely the premium subsidy for the purchase of employer-sponsored health insurance or COBRA coverage.

## **BENEFITS**

**Current Eligibles** receive a more limited benefit than permitted under the state plan. For example, there are surgical exclusions for the inpatient benefit, annual service limitations for physical and occupational therapy and targeted case management for the chronically ill, and exclusion for long-term care services.

**Demonstration Population I (PCN Eligibles)** receives a limited benefit package of primary and preventive care services. These services include primary care physician, lab, radiology, durable medical equipment, emergency room services, pharmacy, dental, and vision. Covered services are often provided with different limitations than those covered in the state plan. Inpatient hospital, specialty care, and mental health services are among the services that are not covered.

**Demonstration Population II (High Risk Pregnant Women)** receives the benefit package available under the Medicaid state plan for pregnant women who are only eligible to receive services related to pregnancy, or to other conditions that may complicate pregnancy.

**Demonstration Populations III and V** receive the benefit package available through the UPP-approved employer-sponsored health plan or the continuation of such coverage under COBRA. The sole benefit provided under the demonstration to persons eligible for premium assistance (through ESI or COBRA coverage) is assistance in paying the employee's, individual's, or family's share of the monthly premium cost of qualifying insurance plans.

**Demonstration Populations VI and Current Eligible CHIP Children** receive the benefit package available through the UPP-approved employer-sponsored health plan or the continuation of such coverage under COBRA as well as wrap around dental benefits.

## **QUALITY AND EVALUATION PLAN**

The state will utilize surveys of demonstration beneficiaries and claims data to evaluate the impact of the limited benefit package and cost-sharing imposed on the Current Eligible population, the health status and emergency room use of beneficiaries enrolled in the PCN

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benefit, the number of pre-natal visits for the high-risk pregnant population, and the impact of the premium assistance subsidy for previously uninsured individuals. The Evaluation Plan is currently under CMS review.

## **COST-SHARING**

### **For Current Eligibles (Non-Traditional Medicaid):**

Cost sharing amounts may not exceed the highest amounts (by service) specified in the state plan.

### **Demonstration Population I (PCN Eligibles):**

Cost sharing for Demonstration Population I may not exceed the highest amounts (by service) specified in the state plan.

### **Demonstration Population II (High Risk Pregnant Women):**

Cost sharing amounts may not exceed the highest amounts (by service) applicable to pregnant women, as specified in the state plan.

### **Demonstration Populations III, V, VI, and Current Eligible CHIP Children:**

Adults and children of families that choose premium assistance will have cost sharing requirements, including the out-of-pocket maximum, as set by their qualified health plan. Children who choose to receive coverage through premium assistance will be charged cost sharing amounts set by their ESI or COBRA coverage and will not be limited to the title XXI five-percent (5%) out-of-pocket family income maximum.

## **STATE FUNDING SOURCE**

The State of Utah certifies that state/local monies are used as matching funds for the demonstration and that such funds shall not be used as matching funds for any other Federal grant or contract, except as permitted by law.

## **ADDITIONAL AMENDMENTS**

Amendment #1 Submitted: May 21, 2002

Amendment #1 Approved: August 20, 2002

This amendment made a technical correction needed to ensure that certain current Medicaid eligibles (i.e., those age 19 and above who are eligible through sections 1925 and 1931) in the demonstration who become pregnant get the full Medicaid state plan benefit package. It eliminated or reduced the benefit package for Current Eligibles to conform with changes to the benefits available under the state plan. Finally, it increased the co-payment for hospital admissions from \$100 to \$220, again to conform with changes to the state plan.

Amendment #2 Submitted: November 19, 2002

Amendment #2 Approved: May 30, 2003

This amendment provided a premium assistance option called Covered at Work (CAW) for up to 6,000 of the 25,000 potential expansion enrollees. Specifically, the state subsidized the employee's portion of the premium for up to 5 years. The employer-sponsored insurance must provide coverage equal to or greater than the limited Medicaid package. The subsidy is phased down over 5 years, to provide a span of time

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over which employees' wages can increase to the point of unsubsidized participation in the employer-sponsored plan. With this amendment, the state was also granted authority to reduce the enrollment fee for approximately 1,500 General Assistance beneficiaries, who are either transitioning back to work or are awaiting a disability determination. These individuals were required to enroll in PCN, but the \$50 fee was prohibitive as they earn less than \$260 per month. For this population, the state reduced the enrollment fee to \$15.

Amendment #3 Submitted: April 19, 2004

Amendment #3 Approved: July 6, 2004

This amendment reduced the enrollment fee for a second subset of the expansion population. Specifically, approximately 5,200 individuals with incomes under 50 percent of the FPL had their enrollment fee reduced from \$50 to \$25.

Amendment #4 Submitted: July 21, 2004

Amendment #4 Approved: March 31, 2005

This changed the way that the maximum visits per year for Physical Therapy/Occupational Therapy/Chiropractic Services are broken out for the "Current Eligibles" ("non-traditional" Medicaid) population. Instead of limiting these visits to a maximum of 16 visits per policy year in any combination, the state provides 10 visits per policy year for Physical Therapy/Occupational Therapy and 6 visits per policy year for Chiropractic Services.

Amendment #5 Submitted: March 29, 2005

Amendment #5 Approved: August 31, 2005

This amendment implemented the adult dental benefit for the "Current Eligibles" population (section 1925/1931 and medically needy non-aged/blind/disabled adults).

Amendment #6 Submitted: June 23, 2006

Amendment #6 Approved: October 25, 2006

This amendment suspended the adult dental benefit coverage for Current Eligibles of Amendment #5 above.

Amendment #7 Submitted: June 23, 2006

Amendment #7 Approved: October 25, 2006

This amendment implemented an increase in the prescription co-payments for the Current Eligible population from \$2.00 per prescription to \$3.00 per prescription.

Amendment #8 Submitted: June 23, 2006

Amendment #8 Approved: October 25, 2006

This amendment implemented a Preferred Drug List (PDL) for Demonstration Population I adults in the PCN.

Amendment #9 Submitted: June 23, 2006

Amendment #9 Approved: October 25, 2006

This amendment implemented the state's Health Insurance Flexibility and Accountability (HIFA) application request, entitled State Expansion of Employer Sponsored Health Insurance (ESI) (dated June 23, 2006, and change #1 dated September 5, 2006). Also, this amendment suspended Amendment #2 - for the CAW program, which was absorbed by the new HIFA-ESI program.

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## **CONTACTS**

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