



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: 19 (07/01/2020-06/30/21)

Demonstration Quarter: 1 (07/01/20-09/30/20)

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 19. 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 19 quarter one.

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 with 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

As mentioned in previous reports, the State implemented suspension of benefits for all Medicaid programs on December 1, 2019. The State has continued to see a steady increase in the number of Medicaid members whose benefits are suspended due to incarceration. This has allowed Medicaid members to more quickly access much needed Medicaid covered services as they are released from incarceration, and transition back into the community.

The table below details the number of individuals in each demonstration population whose Medicaid benefits were in suspension status due to incarceration for each month of the demonstration quarter. This includes individuals who may have had benefits suspended in a prior month, but remain suspended. Demonstration populations are only listed if an impacted individual was placed in suspense status

Number of Individuals with Medicaid Suspended

Demonstration Population	July 2020	August 2020	September 2020
Adult Expansion	403	409	410
Dental-Blind/Disabled	114	122	135
Targeted Adult Medicaid	368	409	401
Current Eligibles	26	28	30
Dental- Aged	16	19	22
Total	927	987	998

Adult Expansion- Employer Sponsored Insurance

The State implemented the employer-sponsored insurance (ESI) requirement for Adult Expansion members 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, although not at the level the State anticipated. This could be a result of the COVID-19 pandemic, and the subsequent loss of employment (and therefore loss of ESI) of many individuals. Individuals who fail to enroll in ESI will not lose eligibility at this time due to the public health emergency. Below are the number of individuals who received an ESI reimbursement for each month of the quarter, as well as the total ESI expenditures.

	July 2020	August 2020	September 2020
ESI Enrollment	193	193	203
Total ESI Payments Issued	\$27,580.81	\$28,583.19	\$28,798.95

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 allows 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.

From July to September, enrollment in the UMIC plans increased from 38,301 to 42,036. Utah Medicaid contracted managed care plans Steward Health Choice, SelectHealth Community Care, Healthy U and Molina continue to report on progress and barriers starting integrated plans.

Previously reported claims issues have largely been resolved. Stakeholders meet regularly to discuss the progress of UMIC and to resolve any issues, if needed. All parties involved note considerable progress.

The UMIC plans are reporting success stories where beneficiaries have received coordinated care not possible under the old bifurcated system. Beneficiaries are receiving more streamlined and simple to use care. Care Managers are coordinating care for the whole member, and are able to monitor the progress and needs of the beneficiaries across disciplines. Access to care has been simplified due to only needing one point of contact.

Dental Benefits for Aged Medicaid Members and Porcelain Crowns

As mentioned previously, the State began providing state plan dental benefits for Medicaid eligible individuals, age 65 and older (referred to as Aged Medicaid beneficiaries) on March 1, 2020. Utilization of dental benefits continues to remain low, likely due to the COVID-19 pandemic. 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 18, 2020, and full dental services are now being provided. The number of individuals receiving services is indicated in the “Enrollment” section below.

Pending Amendment Requests

As mentioned in previous monitoring reports, 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.

In addition, the State also submitted the following waiver amendment requests during quarter one:

- Behavioral Health Services for Adults with Serious Mental Illness- This amendment will allow the State to claim federal financial participation (FFP) for payment of services to Medicaid beneficiaries, age 21 through 64, receiving inpatient psychiatric treatment or residential mental health treatment in an IMD. This request is pending a decision from CMS.
- Dental Benefits for Individuals with Blindness or Disabilities- This amendment will give the State authority to change the benefit delivery system for dental benefits for individuals with blindness or disabilities. Benefits will be provided through the University of Utah School of Dentistry, and its associated statewide network of dental providers, rather than the current managed care delivery system. It will also allow the State to provide porcelain and porcelain-to-metal crowns for this population, as is currently authorized under the State’s 1115 demonstration waiver for aged individuals, and Targeted Adult Medicaid beneficiaries who are eligible for dental benefits. This request is also pending a decision from CMS.

Enrollment

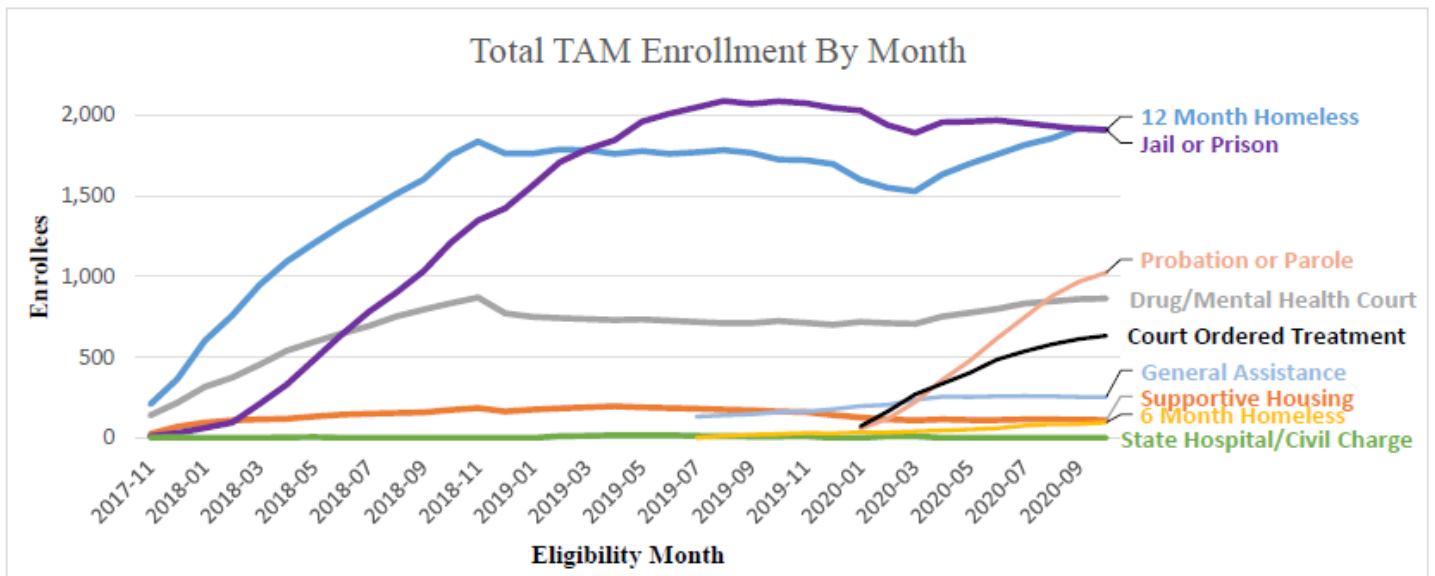
The table below details the monthly enrollment numbers for each month of the quarter, for each demonstration group covered under the waiver. Enrollment continues to increase each month for most of the demonstration populations, likely due to the COVID-19 pandemic, as the State continues coverage for Medicaid members during the public health emergency. In addition, the State has also experienced an increase in Medicaid applications. Enrollment numbers are shown as of 11/10/20. Numbers reflect all retroactive enrollment up to 11/10/20 and are subject to change with future retroactive enrollment.

Demonstration Population	July 2020	August 2020	September 2020
Adult Expansion	57,708	60,418	62,374
Current Eligibles-PCR	27,614	28,469	29,252
Demonstration Population III, V, VI- Premium Assistance	586	586	573
Dental- Blind/Disabled	38,279	38,602	39,134
Former Foster Care Youth	16	16	17
Targeted Adults	5,909	6,159	6,356
Substance Use Disorder Residential Treatment	508	468	433
Targeted Adult Dental	1,306	1,320	1,325
Withdrawal Management	164	174	152
Aged Dental	116	121	140
Utah Medicaid Integrated Care	37,717	39,606	41,578
Employer-Sponsored Insurance	193	193	203
Intensive Stabilization Services	0	0	0

Targeted Adult Medicaid and Substance Use Disorder Treatment

Enrollment for Targeted Adult Medicaid continues to increase. However, utilization of SUD residential treatment appears to have leveled off 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



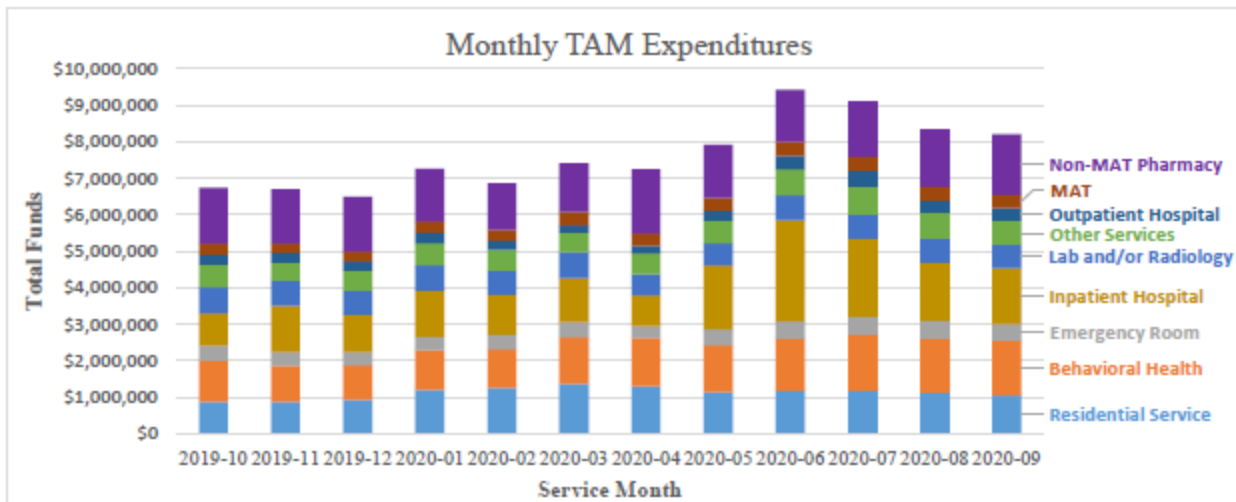
TAM Enrollment by Month

FY21 Category	2020-07	2020-08	2020-09
12 Month Homeless	1,812	1,854	1,910
6 Month Homeless	76	85	84
Supportive Housing	115	115	114
General Assistance	258	257	252
Court Ordered Treatmnt	32	30	69
Drug/Mental Health Crt	834	846	859
Jail or Prison	1,951	1,932	1,913
Probation or Parole	747	875	959
Unknown	505	550	541
Total	6,330	6,544	6,701

Notes:

Enrollment as of 10/9/20. 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



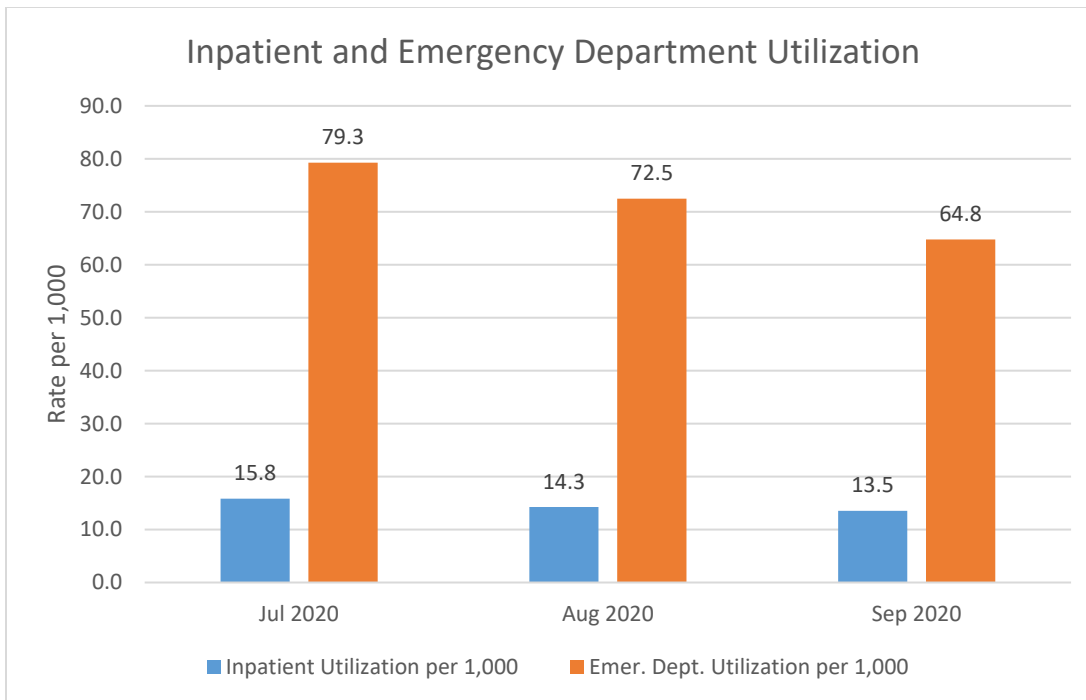
Monthly Expenditures (in 1,000's)				FY20						FY21			
Service Type	2019-10	2019-11	2019-12	2020-01	2020-02	2020-03	2020-04	2020-05	2020-06	2020-07	2020-08	2020-09	Total
Residential Serv.	\$878	\$879	\$932	\$1,196	\$1,256	\$1,362	\$1,298	\$1,138	\$1,183	\$1,184	\$1,121	\$1,053	\$13,481
Behavioral Health	\$1,120	\$982	\$950	\$1,094	\$1,055	\$1,275	\$1,323	\$1,288	\$1,421	\$1,533	\$1,508	\$1,497	\$15,045
Emergency Room	\$414	\$369	\$347	\$374	\$392	\$411	\$328	\$440	\$479	\$485	\$485	\$450	\$4,975
Inpatient Hospital	\$892	\$1,277	\$1,025	\$1,250	\$1,100	\$1,214	\$840	\$1,738	\$2,763	\$2,166	\$1,579	\$1,529	\$17,373
Lab & Radiology	\$706	\$679	\$668	\$703	\$664	\$706	\$577	\$607	\$690	\$674	\$665	\$639	\$7,977
Other Services	\$613	\$494	\$544	\$601	\$567	\$538	\$576	\$617	\$711	\$763	\$714	\$660	\$7,397
Outpatient Hosp.	\$277	\$276	\$263	\$293	\$252	\$208	\$201	\$272	\$371	\$408	\$339	\$347	\$3,507
MAT	\$317	\$266	\$278	\$305	\$308	\$364	\$350	\$359	\$383	\$408	\$383	\$365	\$4,087
Non-MAT Pharm.	\$1,525	\$1,480	\$1,486	\$1,440	\$1,276	\$1,323	\$1,747	\$1,458	\$1,431	\$1,466	\$1,541	\$1,662	\$17,835
Grand Total	\$6,741	\$6,702	\$6,491	\$7,257	\$6,870	\$7,403	\$7,240	\$7,918	\$9,431	\$9,087	\$8,334	\$8,201	\$91,676

- 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. Because these are annual metrics, the State will report once it has a full year's worth of data (December 2020).

Despite an increase in enrollment, the State has experienced a decrease in both inpatient and emergency department utilization.



	July 2020	August 2020	September 2020	Quarter Total
Inpatient	920	868	851	2,639
Emergency Dept.	4,606	4,408	4,071	13,085
Members	58,096	60,830	62,862	181,788

Anticipated Changes to Enrollment

Adult Expansion Medicaid

The State anticipates a continued increase in Adult Expansion enrollment as additional individuals apply for the program. The State also expects the Marketplace open enrollment period to affect Adult Expansion enrollment, as individuals who appear to be eligible for Medicaid are referred to the State agency. 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 affect Adult Expansion enrollment as the State continues eligibility for these individuals, regardless of household changes.

The ESI requirement requires Adult Expansion eligible 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. Although there has been a small increase in enrollment, the State does not anticipate this requirement will have much impact on enrollment.

Demonstration Population III-Premium Assistance (UPP)

With the increase to the Adult Expansion income limit to 133 percent FPL, the State expected 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. Enrollment for UPP has decreased since January 2020 from 653 to 573 for September 2020.

Benefits

The State received approval to provide additional services for at-risk children and youth, referred to as intensive stabilization services. The implementation date for this service was changed to July 1, 2020. However, the Department of Human Services has not yet billed for this service. As such, the State will report on the progress in future monitoring reports.

If the pending amendment requests to allow Medicaid services for individuals in a behavioral health IMD, as well as the service delivery change for dental benefits for individuals with blindness or disabilities are approved, the State intends to implement these changes on January 1, 2021. The State will report on this in a future report.

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 2020	August 2020	September 2020
Adult Expansion	0	2	1

Quarter One Appeals

There were three demonstration related appeals during quarter one. All three involved Adult Expansion Medicaid decisions. Two appeals involved ineligibility due to unreported income. In the case of both appeals, the Medicaid members did not attend the appeal hearings. Both decisions were affirmed. The third appeal involved an overpayment due to the member not reporting that he had been incarcerated for six months. Medicaid remained open during this time, and capitation payments were paid. The member failed to attend the hearing. 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	July 2020	August 2020	September 2020
Current Eligibles-PCR	9.83	9.6	10.92
Adult Expansion	11.13	11.24	12.10
Targeted Adults	7.10	9.75	9.93
Premium Assistance-UPP	58	37.75	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. 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. The State also anticipates a continued increase in expenditures for most waiver populations due to the COVID-19 public health emergency, as the State continues Medicaid eligibility for these populations, regardless of household changes (with few exceptions).

Annual Public Forum

The State plans to hold the annual public forum during the January 2021 Medical Care Advisory Committee (MCAC) meeting. The State will report on the results of this forum in the next quarterly 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 received feedback from CMS on the revised evaluation design, and has submitted revisions to address this feedback. Once the evaluation design has been approved, SRI will complete the required evaluation.