

Report to the Social Services Appropriations Subcommittee

Medicaid Expansion Program

November 2021



Statutory Requirement

As required by UCA 26-18-3.9(8), the Utah Department of Health (Department) submits this response to comply with the following statutory requirement:

The department shall report to the Social Services Appropriations Subcommittee on or before November 1 of each year that a Medicaid expansion is operational:

- (a) the number of individuals who enrolled in the Medicaid expansion;
- (b) costs to the state for the Medicaid expansion;
- (c) estimated costs to the state for the Medicaid expansion for the current and following fiscal years; and
- (d) recommendations to control costs of the Medicaid expansion.

Number of Individuals Who Enrolled in the Medicaid Expansion

Enrollment in the Medicaid expansion program began on April 1, 2019 and has continued to grow through state fiscal year (SFY) 2021. *Figure 1* and *Table 1* demonstrate the enrollment trend for the program. The average monthly enrollment in SFY 2021 was 80,896 members. Enrollment in the program grew to 96,441 members in June 2021.

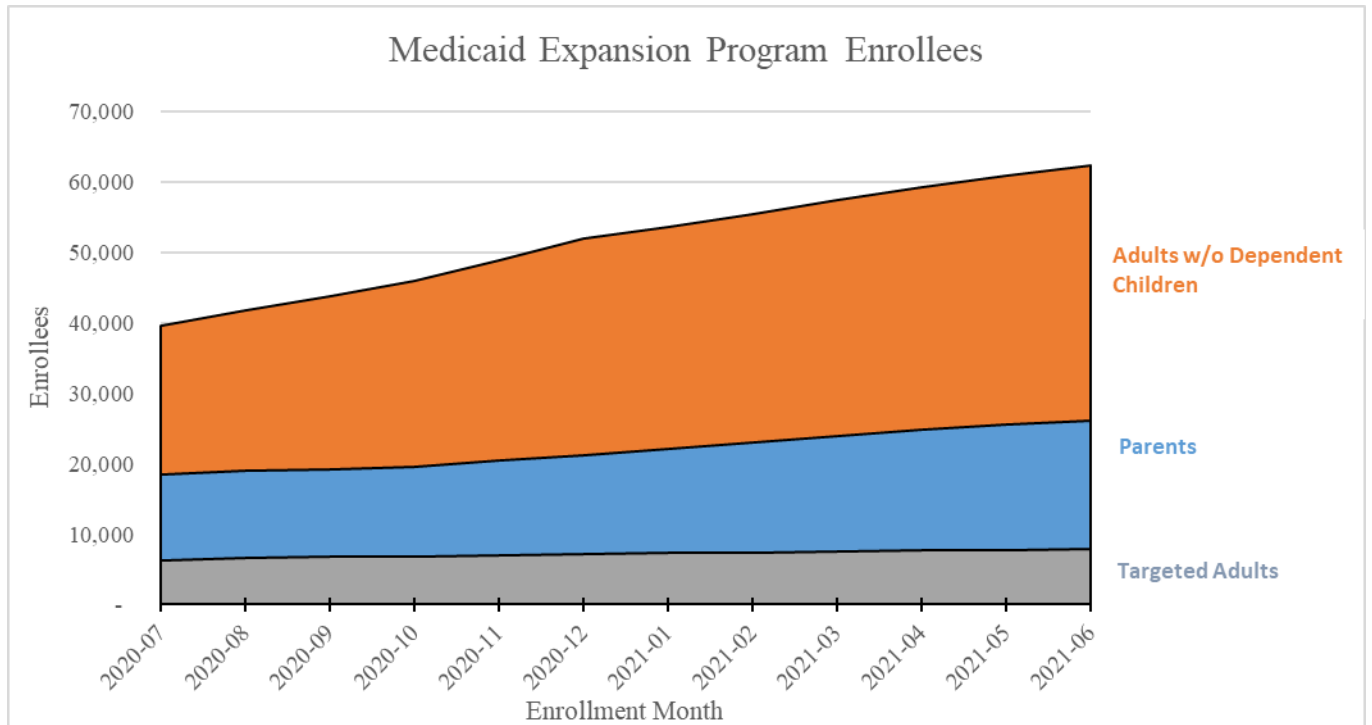


Figure 1

Expansion Category	2020-07	2020-08	2020-09	2020-10	2020-11	2020-12	2021-01	2021-02	2021-03	2021-04	2021-05	2021-06
Adults w/o Dependent Children	39,586	41,848	43,810	45,972	48,944	51,986	53,578	55,471	57,449	59,246	60,843	62,460
Parents	18,383	18,980	19,261	19,651	20,485	21,162	22,167	22,935	23,847	24,789	25,553	26,169
Targeted Adults	6,346	6,564	6,761	6,869	6,995	7,162	7,285	7,416	7,556	7,669	7,744	7,812
Total	64,315	67,392	69,832	72,492	76,424	80,310	83,030	85,822	88,852	91,704	94,140	96,441

Table 1

Costs to the State for the Medicaid Expansion

Costs for the Medicaid expansion program are expended using funds from the Medicaid expansion fund created in UCA 26-36b-208. SFY 2021 Medicaid expansion fund expenditures equaled \$82,280,100, with categorization identified in *Table 2*. These amounts include expenditures for the Health Coverage Improvement Program created by UCA 26-18-411.

Expansion Fund Expenses	Fiscal Year 2021
Medical Assistance	\$80,009,600
Administration	\$2,388,100
Grand Total	\$82,397,700

Table 2

Estimated Costs to the State for the Medicaid Expansion for the Current and Subsequent Fiscal Years

During SFY 2021, the following took place impacting the costs for the fiscal year and subsequent fiscal years:

- The COVID-19 Public Health Emergency’s maintenance of effort provision was effective throughout the fiscal year which prevented any Medicaid cases from being closed. As a result, enrollment and expenses increased significantly.

The Legislative Fiscal Analyst (LFA), Governor’s Office of Management and Budget (GOMB), and the Department will engage in the Medicaid consensus forecasting process in early November 2021 to generate estimates of expansion fund expenditures for 2022 and 2023.

Recommendations to Control Costs of the Medicaid Expansion

On November 1, 2019, the Department submitted the “Fallback” waiver to CMS as directed by UCA 26-18-3.9(5)(a).

As part of this waiver, the Department requested a number of cost control items required by UCA 26-18-3.9(5)(a)(ii) and UCA 26-18-3.9(5)(c) as well as cost sharing requirements for enrollees over 100% of the Federal Poverty Level (FPL). The Department also requested authority through this waiver amendment to change the program through the State's administrative rule process, within the following limits:

- Enroll expansion adults with income over 100% FPL in the program the month after their approval (prospective enrollment)
- Not allow retroactive eligibility for expansion adults with income over 100% FPL
- Change the benefit package for most expansion adults (including Targeted Adults, but excluding medically frail) to the State's non-traditional benefit package
- Open or suspend enrollment for each population group within Targeted Adult Medicaid
- Suspend housing supports
- Make enrollment in an integrated plan or other managed care mandatory or optional for different adult expansion groups
- Exempt certain groups from the ESI requirement

All of these elements of Utah's waiver request are still pending CMS approval. In addition, the public health emergency maintenance of effort requirement for Medicaid makes the determination of actual ongoing costs for this eligibility group more difficult to determine at this time. Given the current situation, if CMS approves these elements of the waiver, the Department recommends that the State not implement the provisions bulleted above until the unwinding of the maintenance of effort is completed and state budget pressures require additional action to reduce Medicaid expansion expenditures.