

Report to the Health and Human Services Interim Committee and to the Executive Appropriations Committee

Health Coverage Improvement Program

September 2021



Statutory Requirement

As first required by House Bill 437 (2016), the Utah Department of Health (Department) submits this response to comply with the following statutory requirement in UCA 26-18-411(8):

Before September 30 of each year, the department shall report to the Health and Human Services Interim Committee and to the Executive Appropriations Committee:

- (a) the number of individuals who enrolled in Medicaid under Subsection (6);
- (b) the state cost of providing Medicaid to individuals enrolled under Subsection (6); and
- (c) recommendations for adjusting the income eligibility ceiling under Subsection (7), and other eligibility criteria under Subsection (6), for the upcoming fiscal year.

Enrollment

Enrollment in the Health Coverage Improvement Program, also known as Targeted Adult Medicaid (TAM), began in November 2017 and continued to grow through State Fiscal Year (SFY) 2021. *Figure 1* demonstrates the enrollment trend for the program, and *Table 1* identifies the enrollment in SFY 2021. The average monthly enrollment in SFY 2021 was 7,179 members. Enrollment in the program grew to 7,805 members in June 2021.

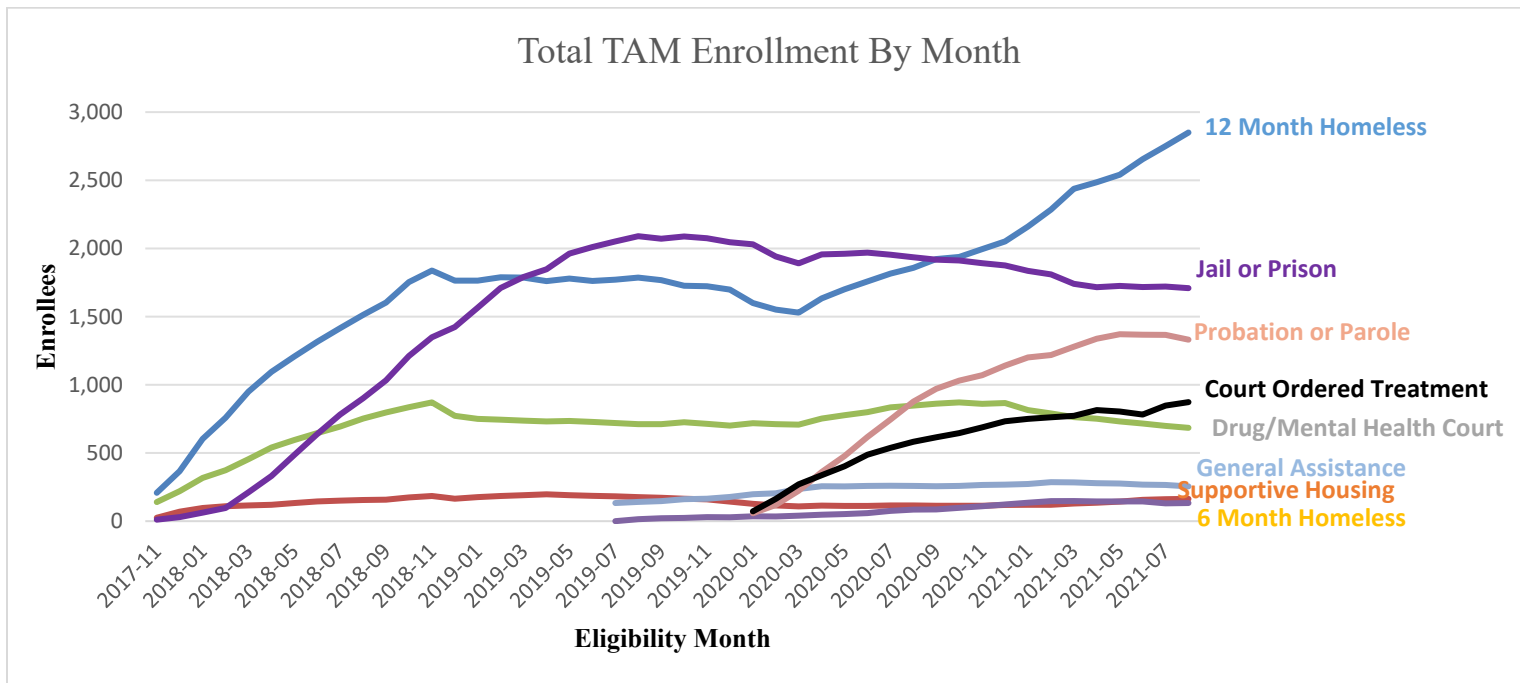


Figure 1

TAM 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
12 Month Homeless	1,816	1,858	1,923	1,937	1,995	2,052	2,160	2,285	2,437	2,485	2,541	2,654
6 Month Homeless	76	85	87	98	110	122	136	146	148	145	145	145
Supportive Housing	115	115	114	113	114	118	120	120	130	135	144	156
General Assistance	260	259	256	259	266	268	272	286	284	279	276	268
Court Ordered Treatment	538	582	615	646	688	733	750	762	773	815	804	782
Drug/Mental Health Court	835	848	862	871	860	866	815	790	763	751	731	716
Jail or Prison	1,954	1,935	1,918	1,912	1,892	1,875	1,836	1,810	1,741	1,716	1,725	1,717
Probation or Parole	746	877	971	1,031	1,071	1,141	1,201	1,218	1,279	1,338	1,371	1,367
Total	6,340	6,559	6,745	6,867	6,995	7,175	7,290	7,418	7,555	7,665	7,737	7,805

Table 1

Cost of Providing Medicaid to Enrollees

Services

SFY 2021 service costs for the Health Coverage Improvement Program equaled \$108,355,156.78 total funds. Federal funds contributed \$97,924,785.17 to the service cost, and the remainder of \$10,430,371.61 was shared between the State, local funding sources, and hospitals in accordance with 26-36b-204(1)(b). *Table 2* details the expenditures by service type. The state net cost of services is \$5,502,879.75, shown in *Table 3*.

Service Type	Total Funds	Federal Funds	Non-Federal Share
Behavioral Health	\$20,593,118.49	\$18,528,641.43	\$2,064,477.06
Emergency Room	\$6,027,186.24	\$5,422,960.34	\$604,225.90
Inpatient Hospital	\$24,648,178.93	\$22,174,671.39	\$2,473,507.54
Lab and/or Radiology	\$7,461,556.69	\$6,713,074.21	\$748,482.48
MAT ¹	\$4,483,155.03	\$4,127,169.87	\$355,985.16
Non-MAT Pharmacy ¹	\$15,191,046.75	\$13,989,148.53	\$1,201,898.22
Other Services	\$10,916,347.18	\$9,834,113.51	\$1,082,233.67
Outpatient Hospital	\$4,755,252.91	\$4,277,527.95	\$477,724.96
Residential Service	\$14,279,314.56	\$12,857,477.94	\$1,421,836.62
Grand Total	\$108,355,156.78	\$97,924,785.17	\$10,430,371.61

Table 2

¹ Pharmacy expenditures shown here are net of rebates. Rebates are allocated to the Health Coverage Improvement Program based on the program's share of Medicaid's pharmacy expenditures.

Description	Amount
Non-Federal Share	\$10,430,371.61
Collections	(\$298,632.04)
Hospital Share	(\$4,502,356.16)
Local Funding Sources	(\$126,503.66)
Services Net State Cost	\$5,502,879.75

Table 3

Administration

2021 administration costs for the Health Coverage Improvement Program equaled \$2,234,732.40 total funds. Federal funds contributed \$1,551,260.90; local funding sources contributed \$80,391.71; and the remainder of \$603,079.79 was the State's cost.

Administration Cost ²	Total Funds	Federal Funds	State Funds	Local Funds
Department of Workforce Services	\$1,304,122.36	\$985,639.44	\$318,482.92	\$0.00
Department of Health	\$930,610.04	\$565,621.46	\$284,596.87	\$80,391.71
Administration Total	\$2,234,732.40	\$1,551,260.90	\$603,079.79	\$80,391.71

Table 4

Total

The grand total state cost of the Health Coverage Improvement Program was \$6,105,959.54 as shown in *Table 5*.

Category	State Cost
Services	\$5,502,879.75
Administration	\$603,079.79
Grand Total	\$6,105,959.54

Table 5

Recommendations

With the passage of Senate Bill 96 (2019), Utah Medicaid was expanded to 100 percent of the Federal Poverty Level (FPL) effective April 1, 2019. This expansion allowed individuals earning more than the TAM income limits to qualify for Medicaid coverage. In addition, the expansion moved a 5 percent of FPL disregard of income from the TAM program to the larger Medicaid expansion. In order to maintain TAM income eligibility at the same level it was before the expansion, the Department worked with the legislature to establish a 5 percent FPL limit for TAM for SFY 2020. The Department does not recommend any further changes to the income limit at this time.

During SFY 2020, the categorical definition of TAM was expanded to include the following groups: homeless victims of domestic violence, individuals receiving court ordered treatment, and individuals on probation or parole that have severe mental health or severe substance use disorders. The Department does not recommend any further changes to the categorical definition for TAM at this time.

² Administrative costs for the Medicaid expansion programs - 26-18-411(6), 26-18-411(3), and 26-18-415, are not separately tracked. The amount shown here attributed to 26-18-411(6) is allocated based on share of service expenditures.