



UTAH DEPARTMENT OF
HEALTH

Utah 1115 Demonstration Waiver

Project Number: 11-W-00145/8 & 21-W-0054/8

Annual Monitoring Report

Reporting Period

Demonstration Year: 16 (07/01/2017-06/30/2018)

Executive Summary

Utah's 1115 Primary Care Network (PCN) Demonstration Waiver is a statewide demonstration to expand Medicaid coverage to certain adults who are not eligible for state plan services, and to offer these adults and children on the Children's Health Insurance Program (CHIP) an alternative to traditional direct coverage public programs. In addition, the demonstration allows the state to provide a reduced benefit package to state plan eligibles (referred to as Current Eligibles) and requires them to pay increased cost sharing.

During the last demonstration year, the waiver was amended to:

- Add dental benefits for individuals age 18 and older, who are blind or have a disability.
- Provide state plan benefits for a targeted group of adults, age 19-64, without dependent children.
- Provide state plan benefits for former foster care youth from another state.
- Provide expenditure authority for Medicaid services to be provided for beneficiaries with substance use disorders residing in an Institution for Mental Disease (IMD.)

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.

Key Events

During demonstration year 16, the demonstration waiver was amended to provide dental benefits to individuals 18 and older, who are blind or have a disability. These benefits were added effective July 1, 2017.

On October 31, 2017, the state received approval to provide state plan benefits to a targeted group of adults, age 19-64, without dependent children who meet defined criteria. The approval also provides coverage for former foster care youth from another state. With this amendment, the demonstration was approved for a five-year period, from November 1, 2017 through June 30, 2022.

On November 9, 2017, the demonstration waiver was amended to provide expenditure authority for Medicaid services provided for adult Medicaid beneficiaries residing in an Institution for Mental Disease (IMD), to help the state provide the full continuum of care for beneficiaries suffering from drug and/or alcohol dependence or abuse.

During the demonstration year, two open enrollments for PCN adults without dependent children occurred. The dates of open enrollment were August 14 through August 28, 2018, and February 1 through February 28, 2018. As a result, PCN enrollment increased during both open enrollments. The state frequently monitors PCN enrollment figures to determine when open enrollment can occur again.

Another key event that occurred during the third quarter was the 2018 General Session of the Utah Legislature. As a result of several pieces of legislation being passed, the State was directed to submit additional requests for amendments to Utah's 1115 Waiver. The most significant bill passed was House Bill 472 "Medicaid Expansion Revisions". This bill directed the Utah Department of Health (UDOH) to submit an 1115 waiver amendment to request authority to expand Medicaid eligibility to adults age 19-64 with household income up to 95 percent of the Federal Poverty Level (FPL). This waiver amendment also includes a request to obtain the increased Federal medical assistance percentage (FMAP) for this population, as well a community engagement requirement and Employment Sponsored Insurance (ESI) reimbursement component.

Also passed during the 2018 session were House Bill 435 "Medicaid Dental Benefits", and House Bill 12 "Family Planning Services Amendments". House Bill 435 required UDOH to submit an 1115 waiver amendment to implement dental benefits for Targeted Adult Medicaid members who are actively receiving substance use disorder (SUD) treatment through the University of Utah, School of Dentistry. House Bill 12 required an amendment be submitted to authorize a family planning services program for adults age 19-64 with household income up to 95 percent of the FPL, to receive specific family planning services.

In addition to these amendments, the UDOH also submitted a fourth amendment that requests authorization to provide stabilization services to Medicaid eligible at-risk youth and children based on a per diem rate. The above amendments were submitted to CMS in June 2018.

Operational Updates

The State anticipates the number of Targeted Adult Medicaid members to continue to increase during the coming quarter. In addition, the State will see more individuals benefit from residential treatment services for SUD.

Since the implementation of the Targeted Adult Medicaid program, department staff frequently have met with other State agencies and community partners to conduct trainings and discuss agency processes for the Targeted Adult Medicaid program. This allowed outside agencies who help individuals apply for this program to better facilitate the application process, and has resulted in additional individuals being enrolled. Department staff continue to meet with partner agencies to help with this process, as requested.

Annual Public Forum

An annual public forum was held on April 19, 2018 during the Medical Care Advisory Committee (MCAC) meeting. An 1115 waiver overview document was provided to attendees. A presentation of the programs and benefits authorized by the demonstration was given. The forum was then opened to allow the public to provide feedback on the progress of the demonstration. A summary of the comments and questions from the forum are listed below.

Targeted Adult Medicaid (TAM)

One individual asked if the enrollment limit for TAM is based on a dollar amount or a specific number of individuals. DOH explained that it is based on appropriations that were given for the program. It was originally estimated that 4,000-6,000 individuals would be covered before we reach the ceiling. However, Medicaid is experiencing significant residential treatment expenditures. This may cause enrollment to close sooner than expected.

Substance Use Disorder (SUD) Waiver

One individual asked if the SUD IMD waiver also applies to individuals who need only need mental health treatment. UDOH explained that HB 437 was written to only address SUD treatment in an IMD. The department was held to this, and could only draft the waiver to address SUD treatment. It was also explained that if Medicaid chose to cover mental health treatment in an IMD, state dollars would have to be used. Federal dollars would not be available, due to the exclusion.

Work Requirements

One individual asked about the work requirement being applied to individuals who are disabled, but who may not look disabled. UDOH explained there will be an exemption for being unable to work, and there will be a review process to address this. It was also explained that the work requirement proposal had not yet been submitted to CMS, and is not yet included in the waiver.

Current Eligibles/Non-Traditional Benefits

One individual asked if the new expansion parents (income up to 55% FPL) get non-traditional benefits. UDOH explained they do receive non-traditional benefits, just as the Current Eligibles population did prior to the increase in the income limit on July 1, 2017.

No other questions or feedback was provided.

Enrollment

The table below details the monthly enrollment numbers for the demonstration year for each demonstration group covered under the waiver. While most demonstration groups remain consistent in enrollment, the Targeted Adult group continues to increase. SUD residential treatment remained consistent during the fourth quarter.

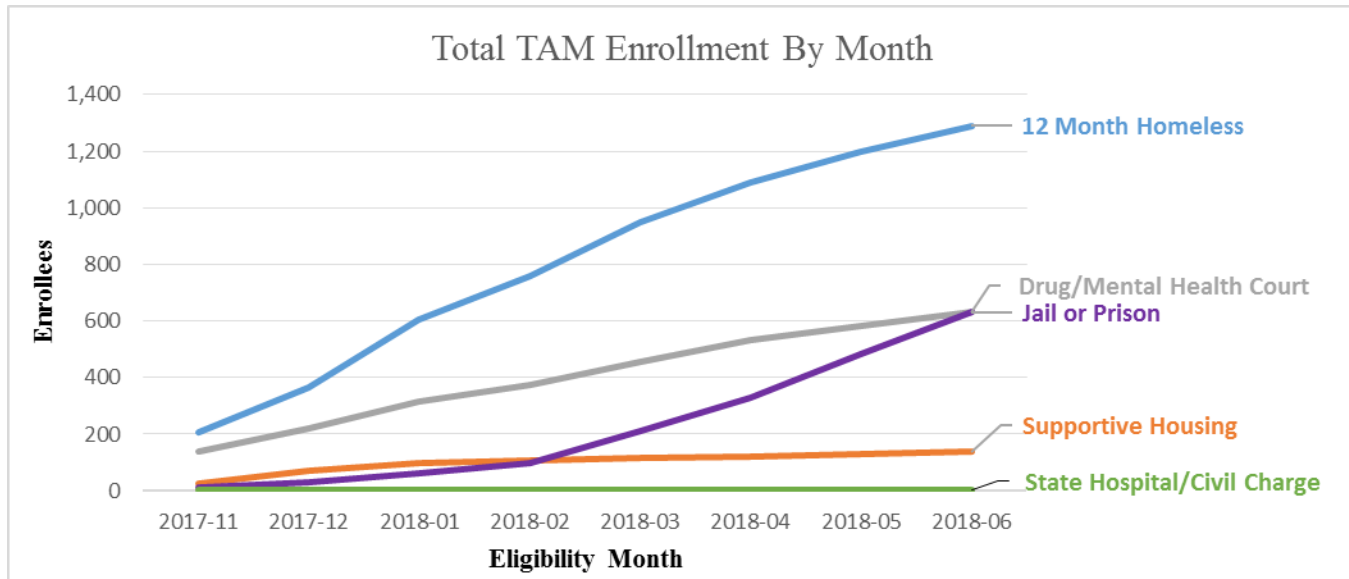
Demonstration Group	July 2017	Aug 2017	Sept 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	March 2018	Apr 2018	May 2018	June 2018
Current Eligibles-PCR	31,551	31,700	31,358	31,066	31,209	31,199	31,405	31,362	31,366	31,328	31,148	30,594
Demonstration Population I- PCN	10,861	14,240	14,151	13,887	13,396	12,836	12,378	15,587	15,220	14,671	14,093	13,588
Demonstration Population III, V, VI- Premium Assistance	956	945	960	912	902	879	893	870	858	849	824	816
Dental- Blind/Disabled	9,408	9,497	9,554	9,617	9,648	9,669	9,666	9,652	9,631	9,588	9,520	9,439
Former Foster Care Youth	0	0	0	0	11	11	9	9	10	11	9	9
Targeted Adults	0	0	0	0	284	542	884	1,099	1,478	1,762	2,113	2,394
Substance Use Disorder Residential Treatment	0	0	0	0	101	144	203	251	268	305	272	283

*Enrollment numbers are shown as of 07/26/18. Numbers reflect all retroactive enrollment up to 07/26/18 and are subject to change with future retroactive enrollment.

Targeted Adult Medicaid and Substance Use Disorder Treatment

As mentioned above, Targeted Adult Medicaid and the Substance Use Disorder IMD provision were both implemented in November 2017. The state has seen a consistent increase in both TAM enrollment and SUD residential treatment. Below is detailed data on enrollment and expenditures for the TAM population. TAM members utilize the majority of SUD residential treatment.

Targeted Adult Medicaid (TAM) Enrollment by Subgroup



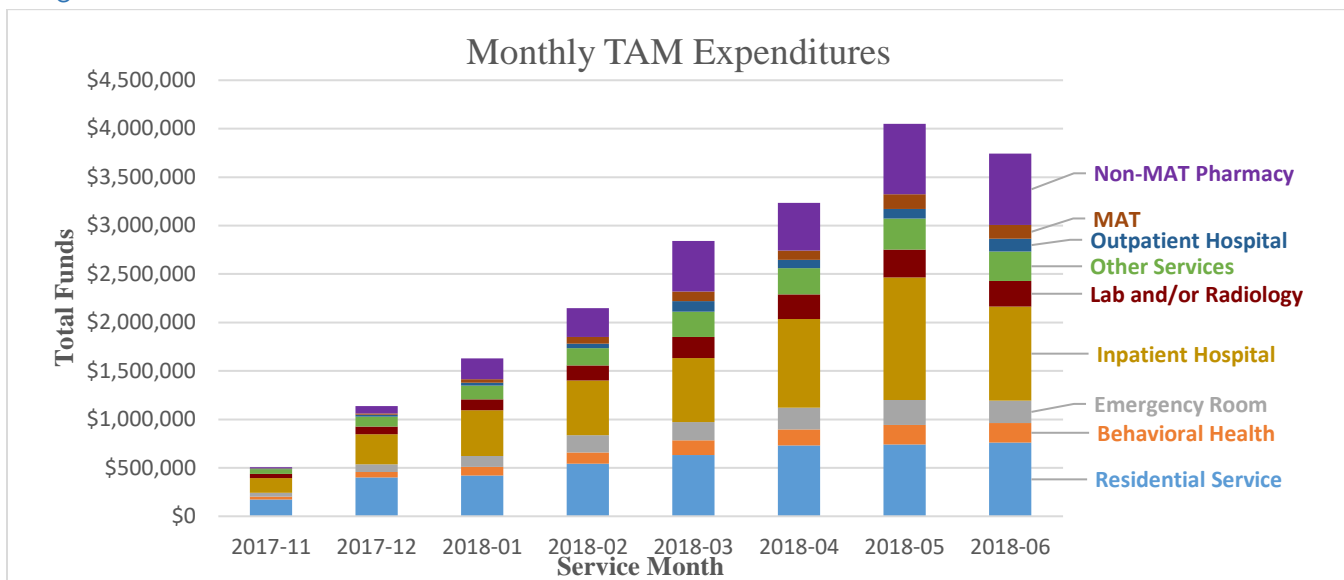
TAM Enrollment by Month

TAM Category	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018
12 Month Homeless	208	367	604	758	950	1,091	1,196	1,291
Supportive Housing	25	70	96	109	115	119	128	137
Drug/Mental Health Court	140	220	317	374	454	533	584	632
Jail or Prison	11	30	62	96	212	330	484	632
State Hospital/Criminal Charge	1	3	1	1	1	3	5	2
Total	385	690	1080	1,338	1,732	2,076	2,397	2,694

Notes:

Enrollment as of August 10, 2018. 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 thousands)									
Service Type	2017-11	2017-12	2018-01	2018-02	2018-03	2018-04	2018-05	2018-06	Total
Residential Service	\$172	\$400	\$422	\$544	\$632	\$729	\$742	\$762	\$4,404
Behavioral Health	\$32	\$57	\$88	\$113	\$152	\$168	\$200	\$199	\$1,009
Emergency Room	\$38	\$81	\$111	\$178	\$187	\$223	\$259	\$232	\$1,308
Inpatient Hospital	\$154	\$310	\$472	\$565	\$660	\$916	\$1,265	\$971	\$5,314
Lab and/or Radiology	\$42	\$78	\$114	\$156	\$219	\$254	\$285	\$266	\$1,415
Other Services	\$49	\$103	\$141	\$179	\$260	\$270	\$320	\$302	\$1,624
Outpatient Hospital	\$8	\$18	\$30	\$45	\$110	\$84	\$100	\$135	\$530
MAT	\$3	\$12	\$37	\$69	\$100	\$98	\$152	\$140	\$612
Non-MAT Pharmacy	\$8	\$77	\$215	\$299	\$519	\$490	\$728	\$737	\$3,072
Grand Total	\$506	\$1,137	\$1,630	\$2,149	\$2,840	\$3,233	\$4,051	\$3,743	\$19,290

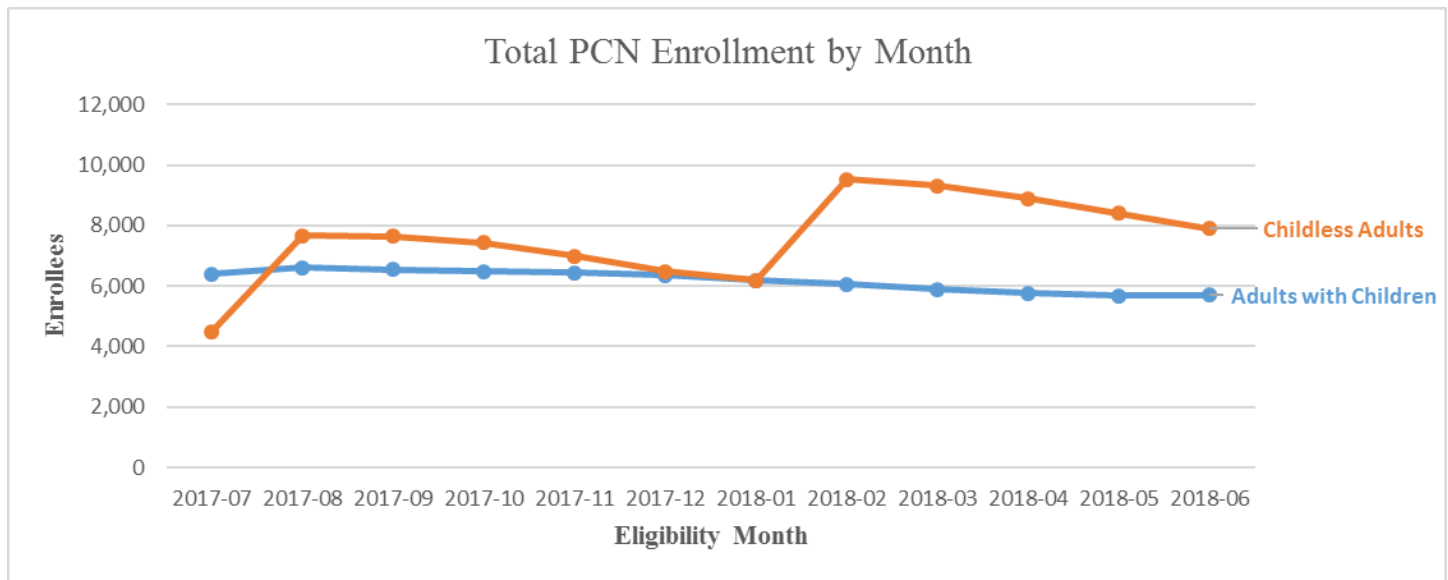
Distinct Members Served								
Service Type	2017-11	2017-12	2018-01	2018-02	2018-03	2018-04	2018-05	2018-06
Residential Service	83	126	172	210	225	271	248	269
Behavioral Health	68	140	233	302	385	449	526	501
Emergency Room	53	110	175	231	261	292	336	332
Inpatient Hospital	16	28	40	55	60	75	90	78
Lab and/or Radiology	67	114	227	253	334	362	421	431
Other Services	223	496	905	1,165	1,543	1,929	2,191	2,570
Outpatient Hospital	13	30	64	84	128	145	178	187
MAT	8	26	70	119	163	150	223	223
Non-MAT Pharmacy	39	141	267	460	623	731	874	945
Grand Total	282	560	965	1,218	1,586	1,976	2,242	2,598

Notes: 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 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.

PCN Enrollment and Primary Care Utilization

The PCN program is in demonstration year 16. Due to the long history of the program, fluctuations in enrollment are as expected. The table below shows the two open enrollment periods in August 2017 and February 2018, as the enrollment numbers increased for those months. As indicated below, there is an increase in primary care benefit utilization after an open enrollment period, and additional individuals become eligible. This number is expected to increase as additional claims are received from providers

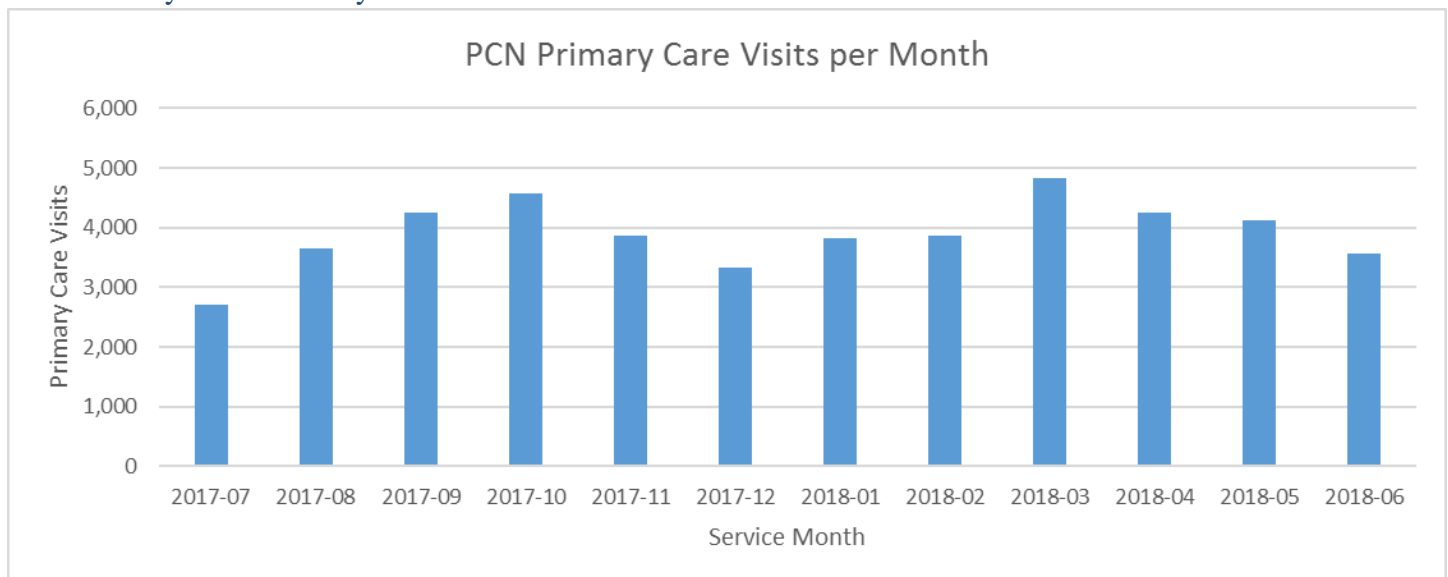
Primary Care Network (PCN) Enrollment by Subgroup



PCN Category	2017-07	2017-08	2017-09	2017-10	2017-11	2017-12	2018-01	2018-02	2018-03	2018-04	2018-05	2018-06
Adults with Children	6,385	6,602	6,545	6,474	6,428	6,351	6,191	6,050	5,888	5,750	5,670	5,695
Childless Adults	4,494	7,671	7,633	7,437	6,986	6,489	6,187	9,527	9,312	8,897	8,398	7,903
Total	10,879	14,273	14,178	13,911	13,414	12,840	12,378	15,577	15,200	14,647	14,068	13,598

Table 1

PCN Primary Care Visits by Month



Total	2017-07	2017-08	2017-09	2017-10	2017-11	2017-12	2018-01	2018-02	2018-03	2018-04	2018-05	2018-06
Primary Care Visits	2,716	3,660	4,258	4,567	3,859	3,340	3,829	3,869	4,835	4,254	4,118	3,561

Notes:

Enrollment as of August 23, 2018 and includes all approved applications up to the run date. The month of Primary Care Visit represents the service month, which is not necessarily the month of payment. This is subject to change with future billings and adjustments. Providers may bill up to one year after the date of service.

Anticipated Changes to Enrollment

The state anticipates the number of individuals eligible for Targeted Adult Medicaid to continue to increase. The state has not yet opened enrollment for Targeted Adult Group 3- Individuals Needing Substance Abuse or Mental Health Treatment. Due to the high cost of SUD residential treatment, the state does not have an anticipated date for opening enrollment for this group.

The number of individuals accessing residential treatment in an IMD for a substance use disorder continues to grow but the rate of growth is controlled due to the number of available beds.

As stated above, during the month of February 2018, open enrollment occurred for adults without children for the PCN program. An additional open enrollment for PCN was held during the month of August 2018. The state will continue to monitor PCN enrollment and open enrollment, as needed. Enrollment for other waiver groups is expected to remain about the same.

On November 6, 2018, Utahns will vote on Proposition 3- Medicaid Expansion Initiative (2018). If passed, this initiative will require the state to expand Medicaid as envisioned under the Affordable Care Act. This would provide Medicaid to approximately 150,000 additional Utah residents. If this occurs, individuals receiving PCN will transition to Medicaid effective April 1, 2019, and the PCN program will be suspended.

Benefits

Due to the implementation of the Targeted Adult Medicaid program and substance use disorder residential treatment in an IMD, the state experienced an increase in the utilization of benefits. As stated earlier, both were implemented during the month of November. As expected, utilization continued to increase in the third quarter, although SUD treatment utilization slowed in the fourth quarter. The state anticipates overall utilization to continue to increase as more individuals enroll in Targeted Adult Medicaid.

The state currently has a pending waiver amendment to add dental benefits for TAM eligible members who are actively receiving SUD treatment. If approved, the state will begin providing dental benefits to this population effective January 1, 2019, or soon thereafter.

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 the year. Demonstration groups are only listed if there was an appeal for that quarter.

Demonstration Group	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
PCN	0	0	3	5	8
TAM	0	0	2	0	2
Dental-Blind/Disabled	1	1	1	2	5

During quarters one and two, there was one appeal in each quarter for the Blind or Disabled Dental demonstration group. Both appeals were withdrawn because the issue was resolved prior to the hearing.

There were six demonstration related appeals during the third quarter; two related to the PCN program, one related to Targeted Adult Medicaid, and one related to blind and disabled dental. All three appeals for PCN were dismissed. Two were dismissed because the individual did not attend or call-in for the hearing. The other appeal was dismissed because the individual thought PCN had been denied, when it had not. PCN had been approved. The Targeted Adult Medicaid and blind and disabled dental appeals were withdrawn because the issues were resolved prior to the hearing.

During the fourth quarter, there were five appeals related to the PCN program. Four of the appeals involved application denials. Two of the hearing requests were withdrawn by the applicants, and one did not attend the hearing. Two of the denial decisions were affirmed, as both individuals failed to provide needed verifications during the application period.

Also during the fourth quarter, there were two blind and disabled dental appeals. In both cases, the department decision to deny payment to the provider was affirmed due to the required prior authorization not being obtained.

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 due to system issues.

Application Processing-Average days to Approval

Program Type	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Current Eligibles-PCR	10.3	10.07	10.2	9.81
PCN	9.52	13.43	9.52	11.63
Targeted Adults	N/A	5.71	7.71	8.75
Premium Assistance-UPP	44.43	44.98	49.07	48.84

**Data Source: Dept. of Workforce Services Cognos Report- "104-Program Days to Approval"

Financial/Budget Neutrality

For enrollment figures for the demonstration year, please refer to the "Enrollment" section above.

Financial- Anticipated Changes

As stated previously, due to the continued increase in enrollment of the Targeted Adult Medicaid group, the state anticipates an increase in expenditures for this group.

Demonstration Evaluation Update

In the fourth quarter of this year, the state contracted with the University of Utah Social Research Institute to draft an evaluation design, and to conduct the required 1115 Demonstration Waiver evaluation, including the SUD component. The evaluation design has been drafted and submitted to CMS for review. The University of Utah is in the process of completing the annual evaluation. Once the evaluation has been completed, it will be submitted to CMS.