



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: 17 (07/01/2018-06/30/2019)

Demonstration Quarter: 1 (07/01/2018-09/30/2018)

Executive Summary

Utah's 1115 Primary Care Network (PCN) Demonstration Waiver is a statewide demonstration that gives the Utah Department of Health (DOH) federal authorization to administer specific medical programs and benefits that are not otherwise allowable under federal rules. The demonstration waiver was originally approved in February 2002 for the PCN program and non-traditional benefits. The waiver was implemented July 1, 2002, and is now in demonstration year 17. Over the years, additional programs and benefits have been authorized under the waiver. The current waiver is approved through June 2022.

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.
- Non-Traditional Benefits- Provides a slightly reduced benefit package for adults receiving Parent/ Caretaker Relative (PCR) Medicaid.
- Utah's Premium Partnership Program (UPP)-Provides premium assistance to 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 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.

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 the first quarter of demonstration year 17, open enrollment continued for PCN adults with dependent children. This group continually remains open. Open enrollment for adults without dependent children will be opened as budget allows.

Also, during this quarter, dental benefits for blind or disabled members was moved to managed care plans for individuals living in Weber, Davis, Salt Lake and Utah counties. There are two managed care plans available; Managed Care of North America (MCNA) Dental and Premier Access. Members must choose one of these plans. However, if a member has been receiving dental services through the University of Utah School of Dentistry, they may continue to do so, regardless of their plan selection or assignment.

Operational Updates

The State anticipates the number of Targeted Adult Medicaid members to continue to increase during the coming quarter. The State continues to experience an increase in enrollment of between 200-300 members per month. In addition, the State will see more individuals benefit from residential treatment services for SUD.

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 increased from quarter four of demonstration year 16, but remained consistent during this quarter.

Demonstration Group	July 2018	Aug 2018	Sept 2018
Current Eligibles-PCR	30,896	31,102	30,603
Demonstration Population I-PCN	12,873	15,700	15,342
Demonstration Population III, V, VI- Premium Assistance	825	798	739
Dental- Blind/Disabled	3,309	3,307	26,628*
Former Foster Care Youth	9	9	9
Targeted Adults	3,035	3,296	3,540
Substance Use Disorder Residential Treatment	388	386	360

Notes:

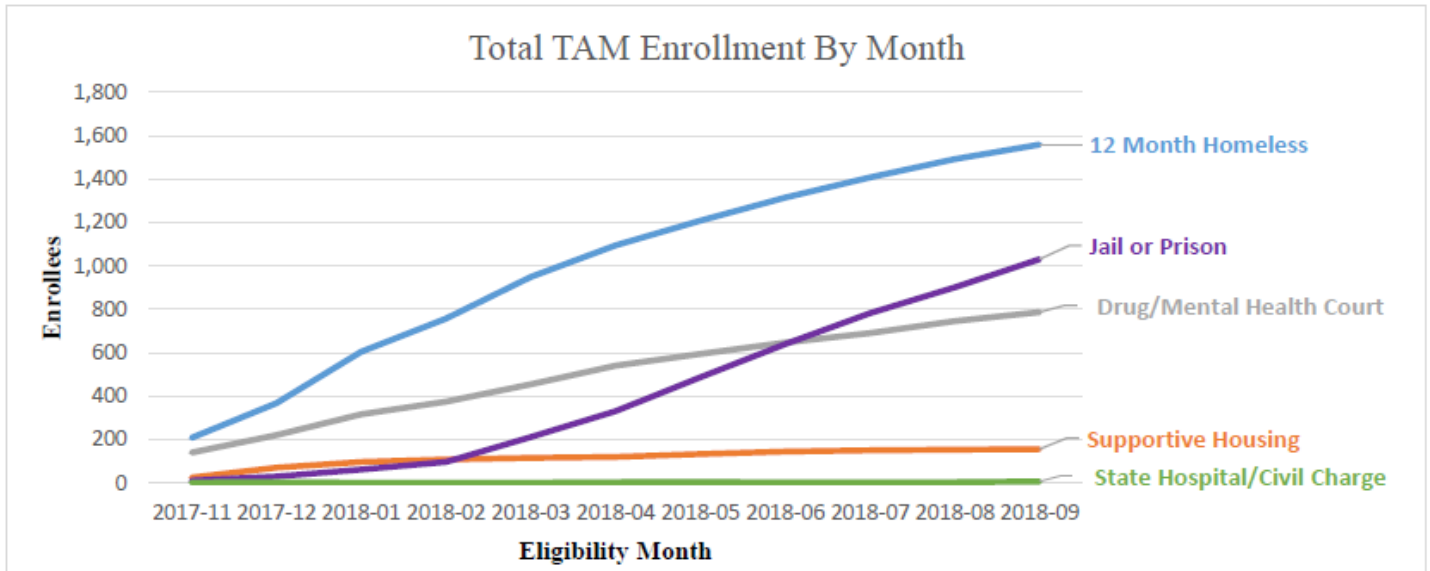
Enrollment numbers are shown as of 11/21/18. Numbers reflect all retroactive enrollment up to 11/21/18 and are subject to change with future retroactive enrollment.

*Effective September 1, 2018, Blind/Disabled dental members residing in Weber, Davis, Salt Lake and Utah Counties were moved to managed care dental plans. The increased number for September reflects the number of members moved to managed care, as well as individuals not in managed care who received dental services.

Targeted Adult Medicaid and Substance Use Disorder Treatment

Targeted Adult Medicaid and the Substance Use Disorder IMD provision were both implemented in November 2017, and the state has experienced 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



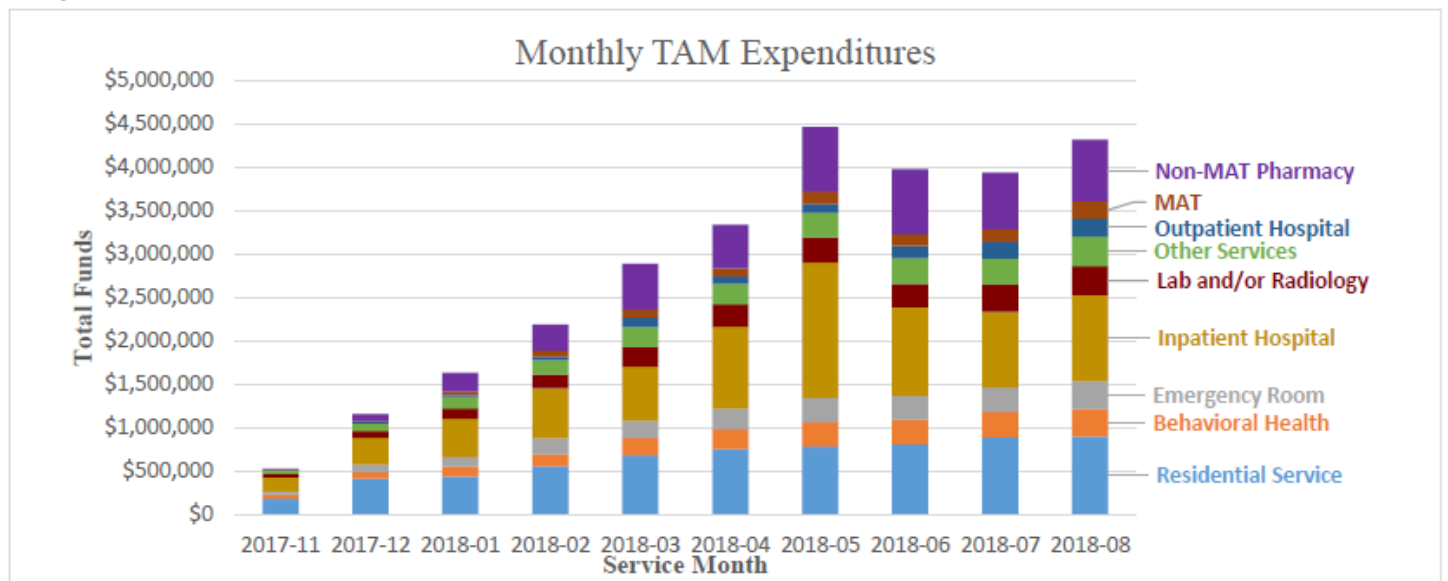
TAM Enrollment by Month

TAM Category	July 2018	Aug 2018	Sept 2018
12 Month Homeless	1405	1,492	1,559
Supportive Housing	151	154	156
Drug/Mental Health Court	691	746	787
Jail or Prison	782	901	1,031
State Hospital/Criminal Charge	3	3	7
Total	3,035	3,296	3,540

Notes:

Enrollment as of October 17, 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)				FY18				FY19		Total	
Service Type	2017-11	2017-12	2018-01	2018-02	2018-03	2018-04	2018-05	2018-06	2018-07		2018-08
Residential Service	\$185	\$414	\$438	\$558	\$683	\$755	\$783	\$810	\$891	\$899	\$6,416
Behavioral Health	\$49	\$77	\$113	\$138	\$201	\$230	\$282	\$287	\$290	\$317	\$1,984
Emergency Room	\$38	\$82	\$113	\$182	\$197	\$235	\$278	\$270	\$284	\$316	\$1,994
Inpatient Hospital	\$156	\$311	\$444	\$576	\$624	\$949	\$1,560	\$1,023	\$871	\$998	\$7,512
Lab and/or Radiology	\$42	\$78	\$117	\$158	\$222	\$258	\$289	\$271	\$316	\$336	\$2,087
Other Services	\$38	\$90	\$127	\$166	\$233	\$234	\$284	\$294	\$301	\$341	\$2,108
Outpatient Hospital	\$8	\$18	\$30	\$45	\$110	\$86	\$105	\$141	\$195	\$206	\$943
MAT	\$3	\$11	\$36	\$65	\$92	\$91	\$145	\$136	\$144	\$196	\$920
Non-MAT Pharmacy	\$8	\$77	\$215	\$300	\$525	\$504	\$739	\$747	\$652	\$712	\$4,480
Grand Total	\$527	\$1,159	\$1,633	\$2,187	\$2,889	\$3,341	\$4,466	\$3,979	\$3,943	\$4,320	\$28,444

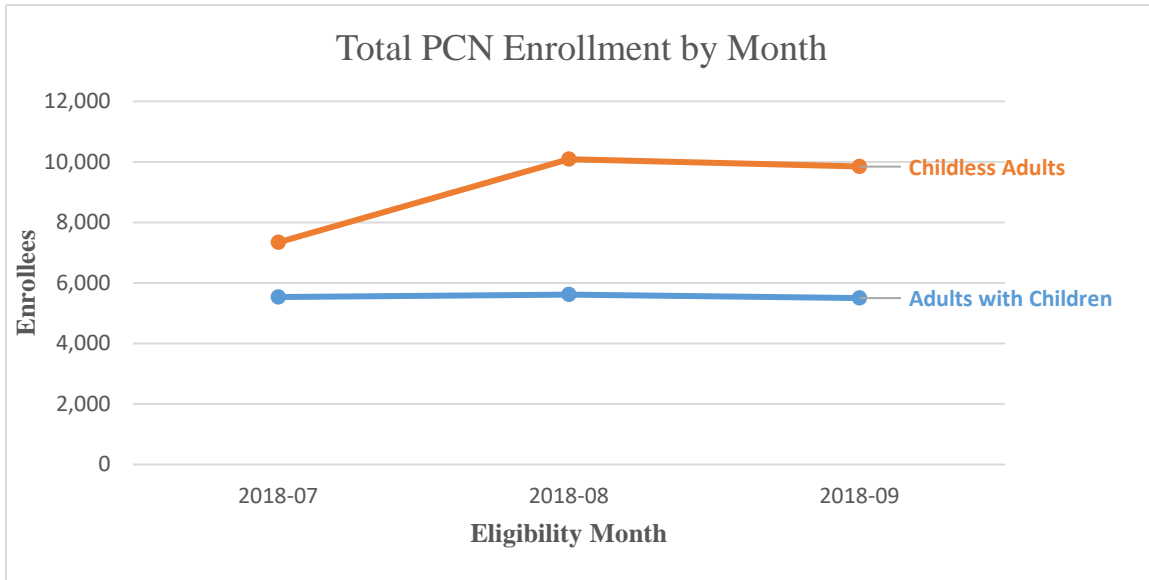
Distinct Members Served				FY18				FY19		
Service Type	2017-11	2017-12	2018-01	2018-02	2018-03	2018-04	2018-05	2018-06	2018-07	2018-08
Residential Service	89	130	179	216	242	278	258	287	305	315
Behavioral Health	79	156	253	326	427	493	578	583	638	662
Emergency Room	54	110	176	236	261	296	348	361	383	411
Inpatient Hospital	18	28	40	56	60	75	91	84	80	118
Lab and/or Radiology	67	114	229	255	340	365	430	444	477	520
Other Services	219	490	901	1,162	1,540	1,929	2,201	2,577	2,848	3,182
Outpatient Hospital	13	30	65	84	129	148	185	195	202	293
MAT	8	21	66	110	142	137	195	229	218	286
Non-MAT Pharmacy	39	142	267	460	626	732	881	951	1,063	1,206
Grand Total	285	563	969	1,224	1,590	1,984	2,264	2,631	2,899	3,215

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

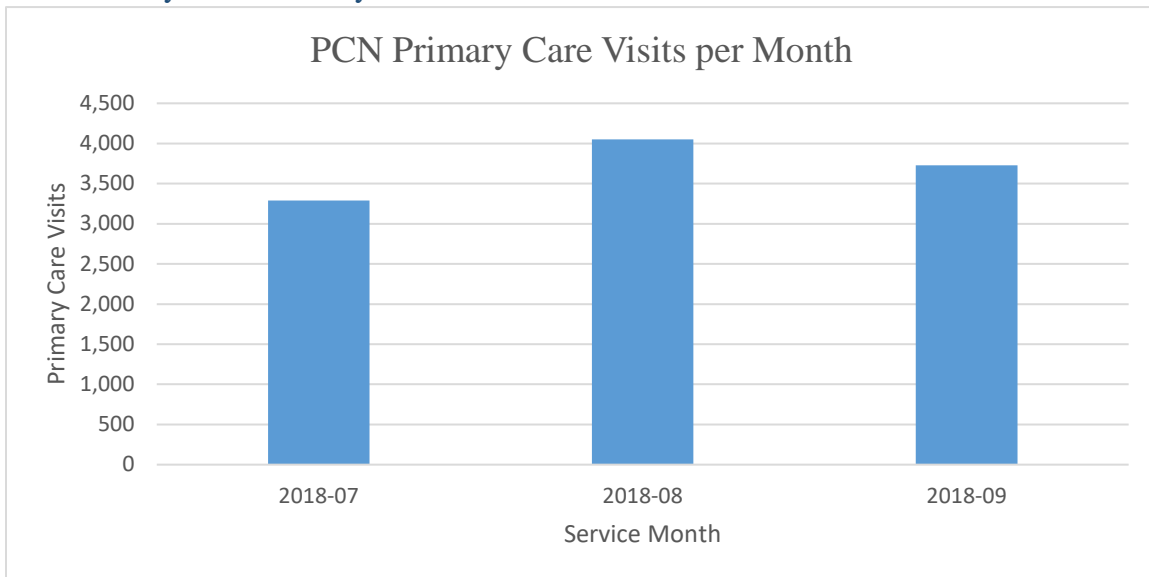
The PCN program is in demonstration year 17. Due to the long history of the program, fluctuations in enrollment are as expected. The table below reflects the open enrollment period for adults without dependent children, which occurred in August 2018. As expected, enrollment increased for that month. 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	2018-07	2018-08	2018-09
Adults with Children	5,534	5,614	5,500
Childless Adults	7,340	10,088	9,843
Total	12,874	15,702	15,343

PCN Primary Care Visits by Month



Total	July 2018	August 2018	Sept 2018
Primary Care Visits	3,291	4,049	3,727

Notes:

Enrollment as of November 21, 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

On November 6, 2018, Utahns voted on Proposition 3, Medicaid Expansion Initiative (2018). The ballot initiative passed. The initiative requires the state to expand Medicaid to adults age 19-64, with income up to 138 percent of the federal poverty level, as envisioned under the Affordable Care Act. This will provide Medicaid to approximately 150,000 additional Utah residents. With the implementation of Medicaid expansion, the state plans to suspend the PCN program effective March 31, 2019. PCN members will transition to Medicaid expansion on April 1, 2019. This will effectively reduce PCN enrollment to zero.

Although the state anticipates enrollment of individuals eligible for Targeted Adult Medicaid to continue to increase during the next two quarters, it is expected that enrollment will then decrease due to implementation of Medicaid expansion. It is possible that some individuals will decide not to follow through with verifying that they meet the specific criteria for Targeted Adult Medicaid (i.e. 12 months homelessness or being involved in a drug or mental health court). These individuals would then qualify for Medicaid expansion. However, there are advantages to receiving coverage under the Targeted Adult program. Targeted Adult members receive 12 months of continuous eligibility, and if the pending waiver is approved by CMS, may receive dental benefits.

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. However, utilization may increase if additional beds are added due to the implementation of Medicaid expansion.

As has historically occurred, enrollment for PCN will again increase due to open enrollment for adults without dependent children occurring November 1, 2018 through December 15, 2018. Enrollment for other waiver groups is expected to remain about the same.

Benefits

The state currently has a pending waiver amendment to add dental benefits for Targeted Adult 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 this quarter. Demonstration groups are only listed if there was an appeal for that quarter.

Demonstration Group	July 2018	August 2018	Sept 2018	Total
PCN	2	1	3	6

There were six demonstration related appeals during quarter one. All six were for the PCN program. Five of the appeals involved application denials. Fair hearings were scheduled for these requests, but in all five instances, the member did not attend the hearing. One fair hearing was withdrawn.

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	July 2018	August 2018	Sept 2018
Current Eligibles-PCR	9.82	10.5	12.02
PCN	12.5	7.17	16.77
Targeted Adults	9.26	8.9	6.02
Premium Assistance-UPP	49.9	42.55	33.78

**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. Expenditures will also be impacted if the pending amendments for Targeted Adult dental benefits and services for at-risk youth are approved by CMS.

Demonstration Evaluation Update

During this quarter, the state received feedback from CMS on its draft evaluation design. The state is working with the University of Utah Social Research Institute (SRI) to incorporate this feedback into the evaluation design. The SRI is also currently conducting the annual 1115 Demonstration Waiver evaluation, including the SUD component. Once the evaluation has been completed, it will be submitted to CMS.