



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: 2 (10/01/2018-12/31/2018)

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 Current Eligibles group. 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.
- Current Eligibles/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 and Operational Updates

During the second 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 occurred from November 1st through December 15th, 2018, which aligned with open enrollment for the federal marketplace. This open enrollment period resulted in approximately 3,000 additional individuals receiving PCN coverage.

Enrollment

The table below details the monthly enrollment numbers for the demonstration quarter for each demonstration group covered under the waiver. Due to PCN open enrollment in November and December, PCN enrollment numbers increased. Enrollment for the Targeted Adult group increased from October to November. However, growth in enrollment from November to December has slowed for this group. SUD residential treatment services have leveled off, as the number of available beds has reached capacity. There are now waiting lists for SUD residential services at most facilities. Enrollment in other waiver groups remains fairly consistent.

Demonstration Group	October 2018	November 2018	December 2018
Current Eligibles-PCR	30,562	30,297	29,876
Demonstration Population I-PCN	14,735	17,064	17,935
Demonstration Population III, V, VI- Premium Assistance	733	749	747
Dental- Blind/Disabled	28,174	28,272	28,309
Former Foster Care Youth	10	10	10
Targeted Adults	3,610	3,866	3,886
Substance Use Disorder Residential Treatment	387	397	250

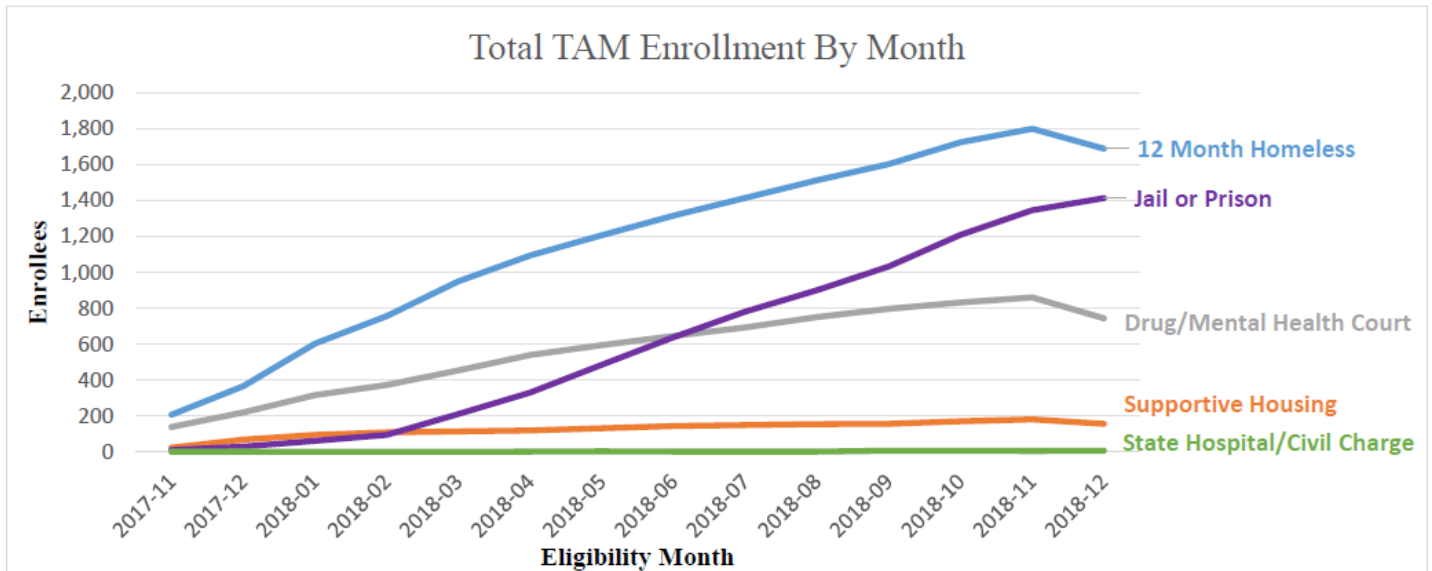
Notes:

Enrollment numbers are shown as of 02/13/19. Numbers reflect all retroactive enrollment up to 02/13/19 and are subject to change with future retroactive enrollment.

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 until recent months. 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

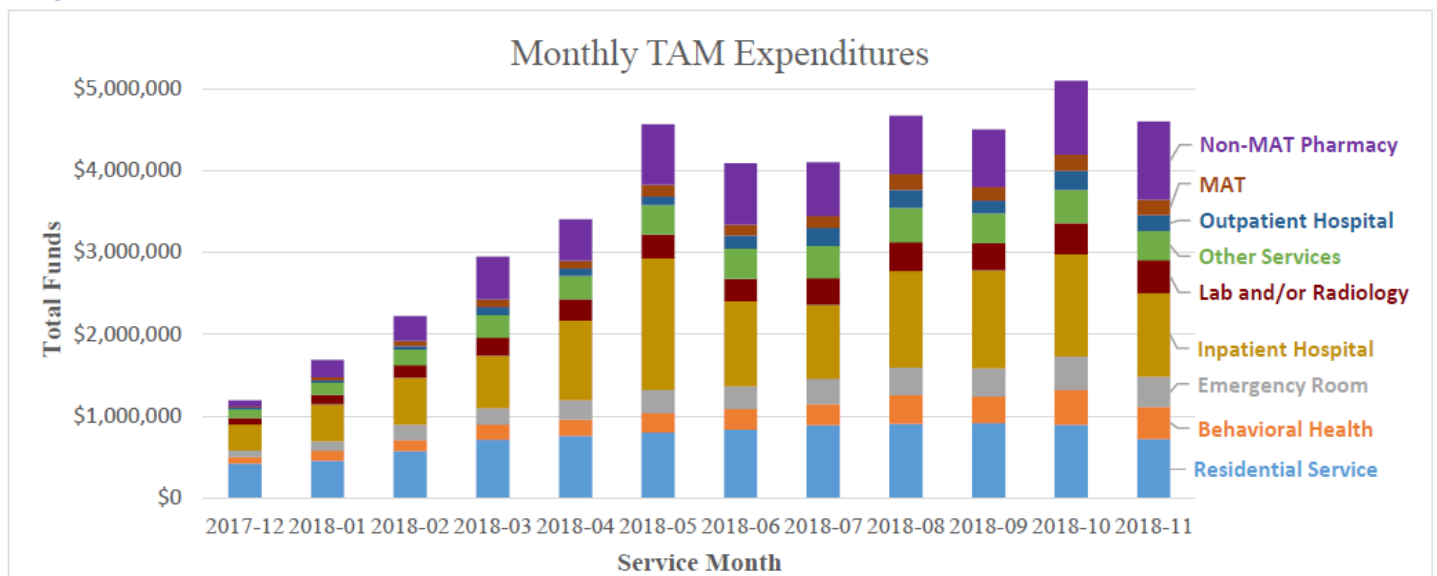
TAM Category	October 2018	November 2018	December 2018
12 Month Homeless	1,725	1,800	1,690
Supportive Housing	172	182	157
Drug/Mental Health Court	833	861	744
Jail or Prison	1,210	1,346	1,414
State Hospital/Criminal Charge	8	6	7
Total	3,948	4,195	4,012

Notes:

Enrollment as of January 10, 2019. 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	2017-12	2018-01	2018-02	2018-03	2018-04	2018-05	2018-06	2018-07	2018-08	2018-09	2018-10	2018-11	
Residential Serv.	\$423	\$459	\$574	\$716	\$758	\$802	\$838	\$891	\$909	\$919	\$893	\$725	\$8,907
Behavioral Health	\$80	\$122	\$136	\$187	\$201	\$241	\$253	\$258	\$349	\$322	\$432	\$389	\$2,971
Emergency Room	\$84	\$114	\$182	\$198	\$237	\$281	\$276	\$307	\$340	\$341	\$404	\$367	\$3,133
Inpatient Hospital	\$315	\$450	\$576	\$639	\$972	\$1,604	\$1,039	\$903	\$1,173	\$1,199	\$1,247	\$1,022	\$11,139
Lab & Radiology	\$78	\$117	\$158	\$223	\$259	\$290	\$274	\$331	\$353	\$332	\$385	\$406	\$3,205
Other Services	\$108	\$147	\$186	\$274	\$286	\$356	\$370	\$389	\$422	\$363	\$400	\$352	\$3,653
Outpatient Hosp.	\$19	\$31	\$45	\$98	\$94	\$111	\$157	\$221	\$215	\$155	\$231	\$195	\$1,570
MAT	\$11	\$36	\$65	\$91	\$94	\$141	\$135	\$147	\$195	\$169	\$197	\$191	\$1,473
Non-MAT Pharm.	\$77	\$214	\$300	\$525	\$504	\$739	\$747	\$652	\$712	\$702	\$907	\$951	\$7,031
Grand Total	\$1,196	\$1,691	\$2,223	\$2,950	\$3,405	\$4,567	\$4,087	\$4,098	\$4,669	\$4,502	\$5,096	\$4,598	\$43,083

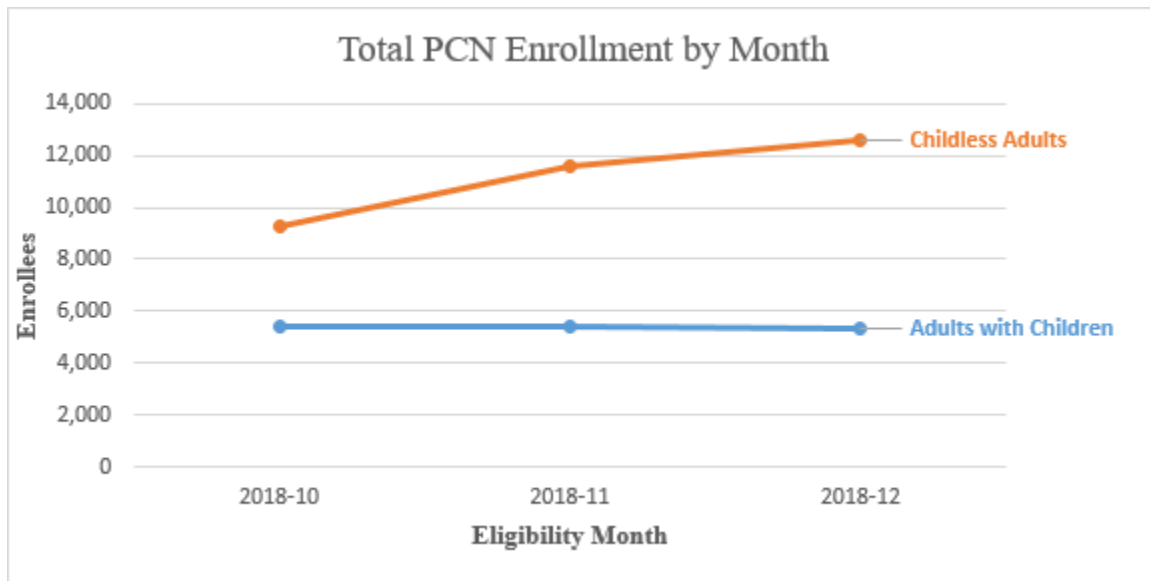
Distinct Members Served				FY18				FY19				
Service Type	2017-12	2018-01	2018-02	2018-03	2018-04	2018-05	2018-06	2018-07	2018-08	2018-09	2018-10	2018-11
Residential Serv.	134	188	221	252	279	264	295	305	317	313	309	257
Behavioral Health	156	258	327	422	502	578	613	653	762	788	820	787
Emergency Room	111	177	236	262	298	353	367	394	439	435	492	478
Inpatient Hospital	29	40	57	60	75	93	84	82	123	92	106	93
Lab & Radiology	114	231	256	343	370	433	454	499	557	576	623	672
Other Services	498	909	1,169	1,547	1,934	2,206	2,585	2,859	3,189	3,466	3,809	4,114
Outpatient Hosp.	31	66	84	129	148	188	199	206	303	278	328	338
MAT	22	67	110	142	168	197	232	240	289	289	354	330
Non-MAT Pharm.	142	267	460	626	732	883	951	1,064	1,206	1,232	1,447	1,518
Grand Total	564	972	1,227	1,592	1,986	2,270	2,635	2,911	3,242	3,511	3,847	4,134

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

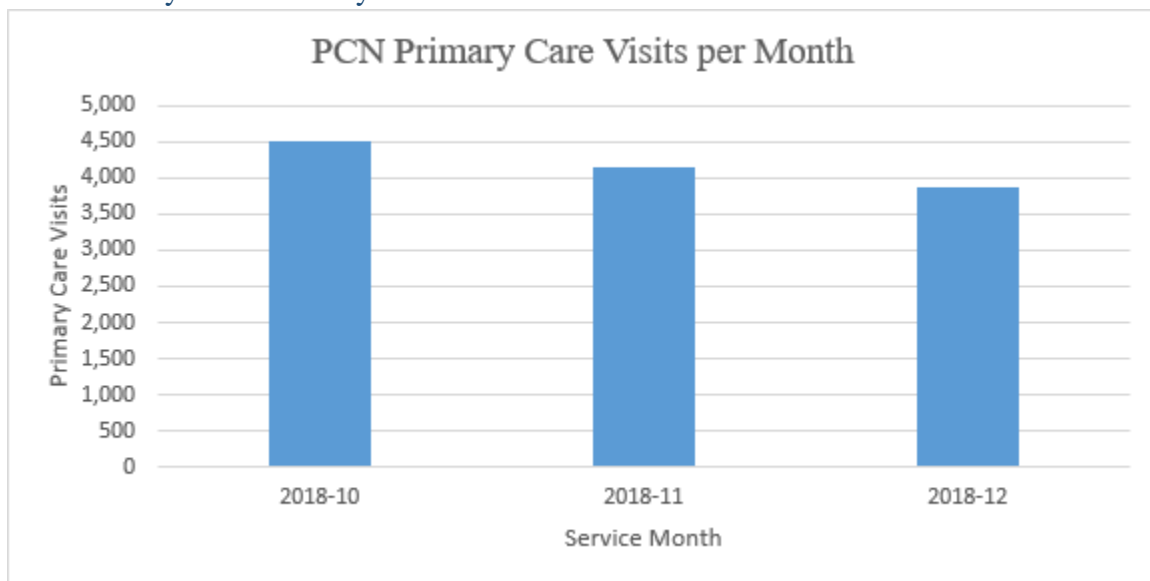
The PCN program is in demonstration year 17. Due to the long history of the program, fluctuations in enrollment are as expected. The table below reflects the open enrollment period for adults without dependent children, which occurred November 1st through December 15th 2018. As expected, enrollment increased due to open enrollment.

Primary Care Network (PCN) Enrollment by Subgroup



PCN Category	October 2018	November 2018	December 2018
Adults with Children	5,439	5,450	5,361
Childless Adults	9,295	11,611	12,576
Total	14,734	17,061	17,937

PCN Primary Care Visits by Month



Total	October 2018	November 2018	December 2018
Primary Care Visits	4,516	4,153	3,870

Notes:

Enrollment as of February 14, 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

Medicaid Expansion

On November 6, 2018, Utahns voted on and passed Proposition 3- Medicaid Expansion Initiative (2018). This ballot initiative would have required the state to expand Medicaid to adults age 19-64, as envisioned under the Affordable Care Act. However, February 11, 2019, the Utah State Legislature passed, and the Governor signed into law, Senate Bill 96- Medicaid Expansion Adjustments. This bill amended provisions of Proposition 3- Medicaid Expansion Initiative, including changing the income limit for the Adult Expansion program to 100% FPL, from 138% FPL required by the ballot initiative. If approved by CMS, Senate Bill 96 requires the DOH to implement the provisions of the 1115 waiver amendment submitted in June 2018. This expansion will result in an increase of 70,000-90,000 in Medicaid enrollment.

With implementation of Medicaid expansion, the state plans to suspend the PCN program effective March 31, 2019. Eligible PCN members will transition to Medicaid expansion on April 1, 2019. This will effectively reduce PCN enrollment to zero.

Targeted Adults

During quarter two, enrollment in the Targeted Adult group slowed for new applicants, and decreased for enrollees. The decrease for enrollees was due to the first group of individuals reaching the end of their 12-month certification period. Some individuals did not complete the required recertification, and therefore are no longer eligible. Other individuals who completed the required recertification no longer met eligibility requirements.

If Medicaid expansion is implemented on April 1, 2019, the state anticipates enrollment in the Targeted Adult group will decrease. 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, being involved in a drug or mental health court, etc.). 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 may receive dental benefits if they are actively receiving SUD treatment.

The number of individuals accessing residential treatment in an IMD for a substance use disorder has slowed, due to bed capacity being reached.

Demonstration group III/UPP enrollment is expected to slightly decrease as a small number of these individuals will become eligible for Adult Expansion.

Enrollment for other waiver groups is expected to remain about the same.

Benefits

The state received approval to implement dental benefits for Targeted Adult members who are actively receiving SUD treatment. The state implemented this approval on March 1, 2019.

The state has two pending waiver amendments to add additional services for Medicaid eligible individuals; additional services for at-risk children and youth, and adult social detoxification services. If approved, the state intends to add these benefits for eligible individuals shortly after approval.

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	October 2018	November 2018	December 2018	Total
PCN	0	0	1	1
UPP	0	0	1	1

There were two demonstration related appeals during the second quarter. One appeal involved the PCN program and the finding of an overpayment due to an agency error. The issue was resolved. The appeal regarding the UPP program involved failure to report the loss of employer sponsored insurance and enrolling in new insurance. The individual's UPP eligibility ended due to this. The state agreed with the agency decision to close, as the report was not timely.

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	October 2018	November 2018	December 2018
Current Eligibles-PCR	9.58	10.16	12.10
PCN	13.31	7.18	11.82
Targeted Adults	5.74	4.98	6.1
Premium Assistance-UPP	28.9	38.29	49.62

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

Financial/Budget Neutrality

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

Financial- Anticipated Changes

The state anticipates an increase in expenditures due to two upcoming changes mentioned previously; implementation of Targeted Adult dental benefits, and if approved by CMS, implementation of Adult Expansion. The state plans to report on the financial impacts of these changes in future monitoring reports.

The state also anticipates an increase in expenditures if the pending amendments for services for at-risk youth and social detoxification services are approved and implemented. The financial impact of these amendments will also be reported in a future report.

Demonstration Evaluation Update

The state continues to work with the University of Utah Social Research Institute (SRI) to incorporate CMS feedback into the evaluation design. The state anticipates finalizing the evaluation design in the next few weeks. 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.