



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: 3 (01/01/2019-03/31/2019)

## 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. This 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 has approval 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.
- Targeted Adult Dental Benefits- Provides state plan dental benefits for Targeted Adult Medicaid eligible individuals who are receiving SUD treatment.
- Adult Expansion- Provides Medicaid benefits to adults age 19-64 who have household income up to 95 percent of the federal poverty level (FPL). Individuals in this demonstration group will also be required to participate in community engagement activities (if they do not meet an exemption or have good cause), and will be required to enroll in employer sponsored insurance (ESI), if it is available to the eligible individual. (Implemented April 1, 2019)
- Clinically Managed Residential Withdrawal Pilot- Provides expenditure authority to provide clinically managed residential withdrawal services to adult Medicaid beneficiaries, age 18 and older, who reside in Salt Lake County. (Implemented May 1, 2019)

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.
- Lead to increased or sustained employment, improve beneficiaries' socio-economic status and improve health outcomes through a community engagement requirement.

## Key Events and Operational Updates

During the third quarter of demonstration year 17, the State received approval from the Centers for Medicare and Medicaid Services (CMS) of a waiver amendment to implement dental benefits for Targeted Adults receiving SUD treatment. Implementation of this benefit occurred on March 1, 2019. During the first month of implementation, 121 Targeted Adults received dental benefits under this demonstration.

Also during this quarter, the State received CMS approval to expand Medicaid coverage to adults age 19 through 64, who have household income up to 95 percent FPL. This approval was received March 29, 2019, and the Adult Expansion Medicaid program was implemented on April 1, 2019. Due to the implementation of Adult Expansion, the PCN program was suspended as of March 31, 2019. PCN individuals transitioned to Adult Expansion on April 1, 2019.

Another key event occurring during this quarter was the 2019 General Session of the Utah State Legislature. This session resulted in the passing of legislation that requires the State to submit two 1115 waiver applications in the coming months. Senate Bill 96 "Medicaid Expansion Adjustments" requires the State to submit an 1115 waiver application for approval of the following provisions for the Adult Expansion Population:

- Continue to cover adults age 19 through 64 with household income up to 95 percent FPL at the increased Federal Medical Assistance (FMAP) allowable under 42 U.S.C. Section 1396d(y)
- Administer the community engagement requirement under this new application
- Allow an enrollment cap under this new application
- Provide funding for housing related supports and services
- Provide up to 12-month continuous eligibility
- No longer allow presumptive eligibility determinations by qualified hospitals
- Administer the employer-sponsored insurance requirement under this new application
- Lock-out for intentional program violation provision, and
- A per capita cap on federal funding.

In addition, Senate Bill 11 "Medicaid Dental Coverage Amendments", requires the State to submit an 1115 waiver amendment to provide state plan dental benefits for Medicaid eligible individuals, age 65 and older (referred to as Aged Medicaid beneficiaries). This legislation also requires the State to request to provide federal funds for porcelain crowns for Aged Medicaid beneficiaries, and for Targeted Adult Medicaid beneficiaries who are eligible for dental benefits, as defined in the State's 1115 PCN waiver.

The State plans to submit both waiver requests to CMS in the coming months.

## Enrollment

The table below details the monthly enrollment numbers for the demonstration quarter for each demonstration group covered under the waiver. Enrollment for the Targeted Adult group continued to gradually increase over this quarter. 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. However, several facilities have reported they plan to add additional beds to their existing facilities, as a result of Adult Expansion implementation. They intend to add these additional beds by the end of August 2019.

The Current Eligibles and PCN Populations showed slight decreases each month, which is expected for these populations due to recertification cycles and individuals losing eligibility due to increased income and other household changes.

<b>Demonstration Group</b>	<b>January 2019</b>	<b>February 2019</b>	<b>March 2019</b>
<b>Current Eligibles-PCR</b>	30,239	30,109	29,835
<b>Demonstration Population I-PCN</b>	17,254	16,449	15,832
<b>Demonstration Population III, V, VI- Premium Assistance</b>	756	730	731
<b>Dental- Blind/Disabled</b>	35,814	36,394	36,414
<b>Former Foster Care Youth</b>	10	12	12
<b>Targeted Adults</b>	3,875	4,058	4,000
<b>Substance Use Disorder Residential Treatment</b>	428	388	390
<b>Targeted Adult Dental</b>	0	0	121

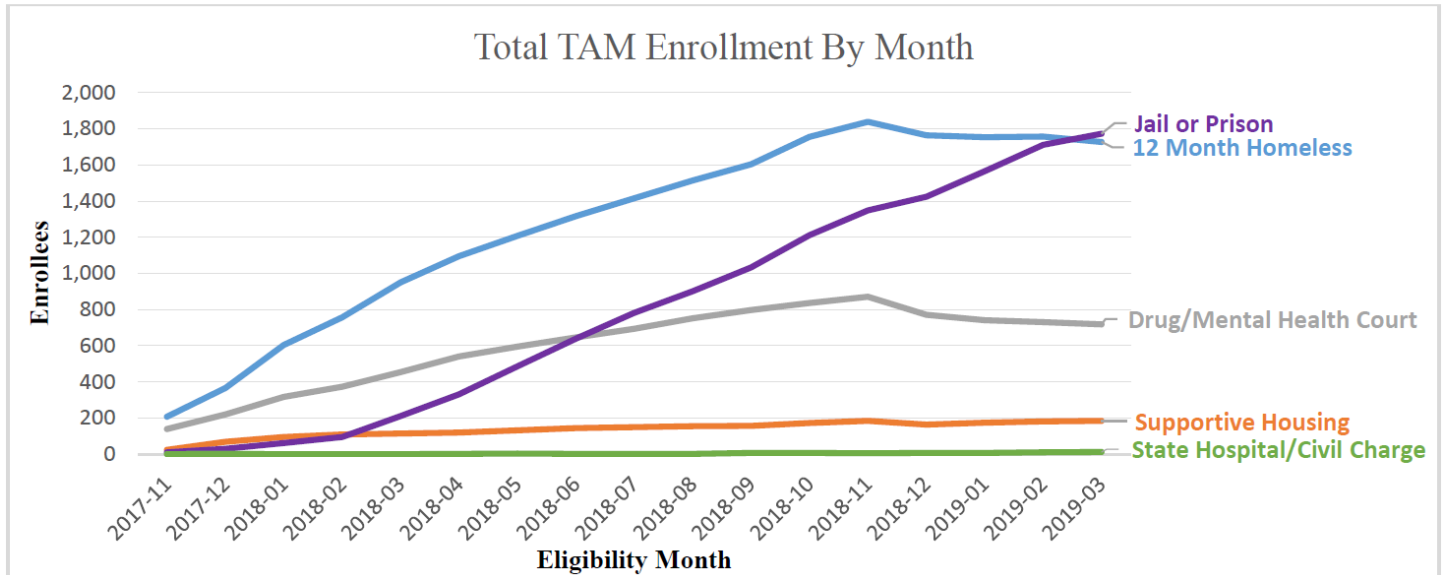
Notes:

Enrollment numbers are shown as of 05/14/19. Numbers reflect all retroactive enrollment up to 05/14/19 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, although SUD residential treatment services has slowed as mentioned above. 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 Category	January 2019	February 2019	March 2019
12 Month Homeless	1,735	1,736	1,727
Supportive Housing	174	175	185
Drug/Mental Health Court	739	728	718
Jail or Prison	1,564	1,705	1,772
State Hospital/Criminal Charge	8	11	13
<b>Total</b>	<b>4,220</b>	<b>4,355</b>	<b>4,415</b>

**Notes:**

Enrollment as of April 4, 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.

Distinct Members Served		FY18					FY19					
Service Type	2018-03	2018-04	2018-05	2018-06	2018-07	2018-08	2018-09	2018-10	2018-11	2018-12	2019-01	2019-02
Residential Serv.	252	280	265	296	311	323	320	316	331	339	333	303
Behavioral Health	457	543	633	676	752	900	936	1,026	1,053	996	980	947
Emergency Room	263	298	353	369	403	439	442	509	505	459	548	451
Inpatient Hospital	61	75	94	84	83	123	93	111	99	99	109	104
Lab & Radiology	344	377	438	458	507	567	598	659	725	737	791	782
Other Services	1,547	1,935	2,209	2,585	2,861	3,189	3,467	3,811	4,119	3,969	4,084	4,246
Outpatient Hosp.	129	149	188	200	209	306	279	337	350	312	363	351
MAT	142	169	197	233	241	287	290	365	397	367	394	353
Non-MAT Pharm.	626	732	884	951	1,065	1,208	1,234	1,450	1,520	1,456	1,584	1,570
<b>Grand Total</b>	<b>1,594</b>	<b>1,987</b>	<b>2,274</b>	<b>2,636</b>	<b>2,914</b>	<b>3,245</b>	<b>3,520</b>	<b>3,860</b>	<b>4,161</b>	<b>4,032</b>	<b>4,143</b>	<b>4,283</b>

Monthly Expenditures (in thousands)		FY18					FY19						Total
Service Type	2018-03	2018-04	2018-05	2018-06	2018-07	2018-08	2018-09	2018-10	2018-11	2018-12	2019-01	2019-02	
Residential Serv.	\$716	\$759	\$802	\$842	\$916	\$936	\$944	\$928	\$935	\$968	\$1,017	\$845	\$10,607
Behavioral Health	\$226	\$247	\$302	\$318	\$337	\$468	\$424	\$577	\$554	\$468	\$521	\$455	\$4,898
Emergency Room	\$199	\$238	\$282	\$280	\$308	\$346	\$353	\$428	\$397	\$351	\$405	\$337	\$3,923
Inpatient Hospital	\$666	\$973	\$1,614	\$1,024	\$903	\$1,174	\$1,217	\$1,298	\$1,198	\$1,206	\$1,074	\$1,228	\$13,573
Lab & Radiology	\$223	\$261	\$293	\$275	\$334	\$358	\$343	\$400	\$431	\$462	\$502	\$501	\$4,385
Other Services	\$275	\$286	\$359	\$373	\$395	\$466	\$395	\$472	\$424	\$383	\$466	\$373	\$4,666
Outpatient Hosp.	\$98	\$94	\$111	\$161	\$221	\$218	\$157	\$255	\$220	\$251	\$239	\$216	\$2,240
MAT	\$92	\$96	\$144	\$135	\$147	\$207	\$169	\$224	\$241	\$183	\$252	\$218	\$2,108
Non-MAT Pharm.	\$525	\$504	\$740	\$747	\$652	\$712	\$702	\$910	\$941	\$967	\$1,215	\$1,107	\$9,723
<b>Grand Total</b>	<b>\$3,020</b>	<b>\$3,457</b>	<b>\$4,647</b>	<b>\$4,155</b>	<b>\$4,214</b>	<b>\$4,885</b>	<b>\$4,703</b>	<b>\$5,493</b>	<b>\$5,341</b>	<b>\$5,238</b>	<b>\$5,691</b>	<b>\$5,281</b>	<b>\$56,124</b>

- 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 here 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. Providers may bill up to one year after the date of service.

## PCN Enrollment and Primary Care Utilization

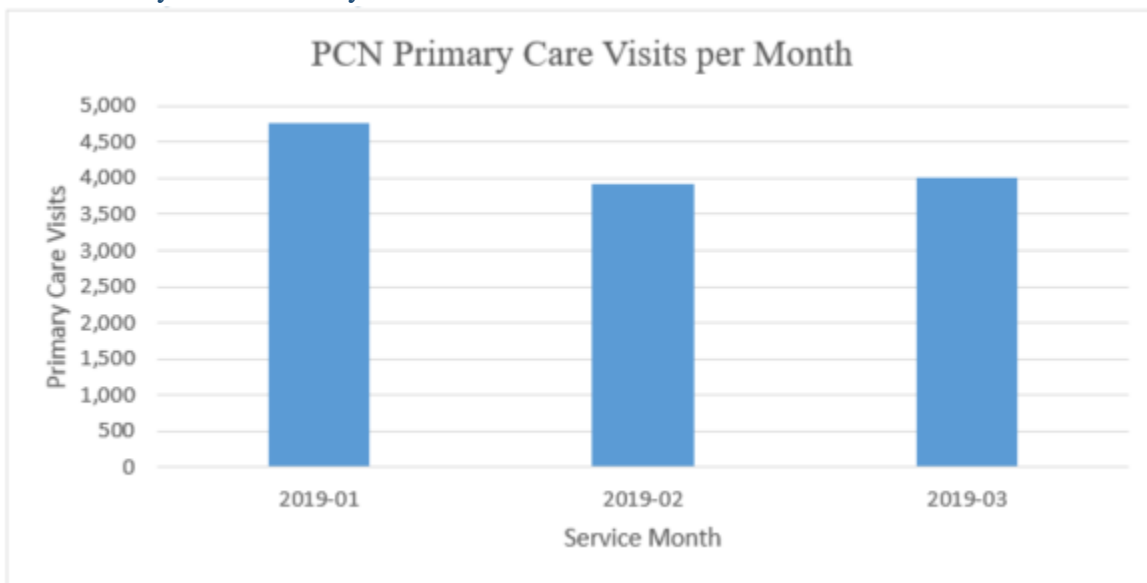
In quarter two of this demonstration year, PCN open enrollment occurred and the State experienced an increase in enrollment. As mentioned, the State experienced a slight decrease in enrollment in the third quarter due to recertification cycles and individuals losing eligibility due to increased income and other household changes.

### Primary Care Network (PCN) Enrollment by Subgroup



PCN Category	January 2019	February 2019	March 2019
Adults with Children	5,339	5,336	5,314
Childless Adults	11,926	11,122	10,527
<b>Total</b>	<b>17,265</b>	<b>16,458</b>	<b>15,841</b>

### PCN Primary Care Visits by Month



<b>Total</b>	<b>January 2019</b>	<b>February 2019</b>	<b>March 2019</b>
Primary Care Visits	4,516	4,153	3,870

Notes:

Enrollment as of May 9, 2019 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 March 29, 2019, the State received CMS approval to implement Medicaid eligibility for adults age 19 through 64 with household income up to 95 percent FPL. This program, referred to as Adult Expansion Medicaid, was implemented on April 1, 2019. With this implementation, the State has experienced an increase of enrollment. As of May 20, 2019, approximately 30,000 individuals were eligible for Adult Expansion. This includes Targeted Adult beneficiaries (the Targeted Adult population is considered part of the expansion), as well as PCN beneficiaries that transitioned to Adult Expansion. The State estimates approximately 70,000-90,000 individuals will eventually enroll in Adult Expansion.

### *Targeted Adults*

During quarter three, enrollment in the Targeted Adult group showed a slight increase each month. While some individuals are losing eligibility due to recertification activities, newly eligible individuals continue to enroll. Individuals who have lost eligibility either have not completed the recertification process, or no longer meet eligibility requirements.

### *Other Waiver Populations*

As mentioned, the number of individuals accessing residential treatment in an IMD for a substance use disorder has slowed, due to bed capacity being reached. However, several facilities have indicated they plan to add additional residential beds in the fourth quarter.

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 Current Eligibles decreased in the month of April due to approximately 3,300 beneficiaries transitioning to Adult Expansion. This occurred due to the decrease in the income limit for Current Eligibles, resulting from Adult Expansion implementation.

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

## Benefits

The State received approval on March 29, 2019 to implement the Clinically Managed Residential Withdrawal Pilot. This additional benefit became available to eligible beneficiaries on May 1, 2019. The State estimates approximately 2300 individuals will receive this service on an annual basis. The State will monitor this benefit and include this information in future monitoring reports.

The State has a pending waiver amendment to allow the State to provide additional services for at-risk children and youth. 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 the quarter.

Demonstration Group	January 2019	February 2019	March 2019	Total
PCN	0	0	1	1
Targeted Adult	0	1	1	2

There were three demonstration related appeals during the third quarter. One of the Targeted Adult appeals involved moving from the Current Eligibles/Parent Caretaker Relative (PCR) program to the Targeted Adult program. The individual was not eligible for Targeted Adult Medicaid because she had a child in the home. This decision was affirmed and she remained on PCR for that month. The other two appeals were application denials. The beneficiaries failed to attend the hearings. After reviewing the decisions using available information, the application denials were affirmed.

## 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	January 2019	February 2019	March 2019
Current Eligibles-PCR	12.36	11.28	10.91
PCN	23.78	16.21	15.66
Targeted Adults	6.57	6.13	4.92
Premium Assistance-UPP	36.62	31.62	26.86

\*\*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 will experience an increase in expenditures due to the implementation of Targeted Adult dental benefits, Adult Expansion, and the Clinically Managed Residential Withdrawal Pilot. 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 amendment for services for at-risk children and youth is approved. The financial impact of this amendment will also be reported in a future report.

## Demonstration Evaluation Update

The State continues to work with its third party evaluator, the University of Utah Social Research Institute (SRI), and CMS to finalize the demonstration evaluation design. The State has submitted a revised evaluation design to CMS and is waiting for final approval. Once approved, SRI will complete the required evaluation.