



State of Utah

GARY R. HERBERT  
*Governor*

SPENCER J. COX  
*Lieutenant Governor*

## Utah Department of Health

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### Division of Medicaid and Health Financing

NATE CHECKETTS  
*Deputy Director, Utah Department of Health*  
*Director, Division of Medicaid and Health Financing*

September 30, 2019

Members of the Social Services Appropriations Subcommittee  
State Capitol  
Salt Lake City, Utah 84114

Dear Subcommittee Member:

The Centers for Medicare and Medicaid Services (CMS) requires the Department of Health to update its State Plan and existing waivers for Medicaid when the State makes changes to the program. In accordance with these changes and reporting requirements of Subsection 26-18-3(3), the following is a summary of recent changes:

## State Plan amendments

### Liens and Adjustments

In accordance with the Tax Equity and Fiscal Responsibility Act (TEFRA), the Department submitted an amendment to the State Plan to allow liens on real property for individuals who reside in a care facility for a period of 180 consecutive days or more.

This amendment neither affects annual expenditures nor future appropriations because it is unclear how much the state may be able to recover from these liens in future years. While the amendment allows liens on some Medicaid members' property, there is no cost shift to more expensive services for Medicaid members and their families.

### Pediatric Dental Supplemental Payments

The Department submitted an amendment to the State Plan to discontinue the annual fee-for-service pediatric dental supplemental payment, as the dental managed care plans now administer the Medicaid dental services. Funds appropriated for this incentive are now built into the capitated rates paid to the dental plans.



The Department estimates total annual savings to be approximately \$216,000.

This amendment does not result in a cost shift to more expensive services for Medicaid members and their families.

### **Former Foster Care Children**

The Department submitted an amendment that allows coverage under the Former Foster Care group, if an individual was enrolled in Medicaid coverage at any time during the foster care period, before the individual turned 18 years old.

The Department estimates total annual expenditures to increase by about \$56,200, which is accounted for in the appropriation set forth by S.B. 96, Medicaid Expansion Adjustments, passed during the 2019 General Session of the Legislature.

There is no cost shift to more expensive services for Medicaid members and their families.

### **Payment for Hospice Services**

The Department submitted an amendment to clarify hospice payment policy relative to intermediate care facilities for individuals with intellectual disabilities, freestanding hospice inpatient facilities, nursing facilities, and inpatient care facilities. It also aligns a cap period date range with Medicare.

This amendment neither affects annual expenditures nor future appropriations, and there is no cost shift to more expensive services for Medicaid members and their families.

### **Medical Supplies and DME Rebasing**

The Department submitted an amendment to price codes found on the Medicare DME fee schedule at a percentage of the Medicare price (not to exceed 100 percent), effective October 1, 2019.

This amendment also clarifies that some durable medical equipment (DME) is paid based upon contracts awarded following a competitive bid procurement process to ensure access to care.

There are slight savings to the state budget. There is no cost shift to more expensive services for Medicaid members and their families.

### **Medicaid Application**

The Department submitted an amendment to include changes to the application for Medicaid eligibility in regard to community engagement activities. These changes revise the Medicaid application to determine whether an individual must seek employment activities to qualify for a Medicaid program.

This amendment does not affect future appropriations and there is no cost shift to more expensive services for Medicaid members and their families.

Further, any expenditures associated with this amendment have already been appropriated through S.B. 96, Medicaid Expansion Adjustments, passed during the 2019 General Session of the Legislature.

## **WAIVERS**

### **1115 Demonstration Waivers**

#### **Utah 1115 Demonstration Waiver Application -Per Capita Cap**

On July 31, 2019, in accordance with Senate Bill 96 “Medicaid Expansion Adjustments (2019 General Session), the Utah Department of Health (UDOH), Division of Medicaid and Health Financing (DMHF) submitted a waiver application to the Centers for Medicare and Medicaid Services (CMS) to implement specific proposals. Some of these proposals were previously approved by CMS on March 29, 2019 as part of the State’s “Bridge Plan” for Medicaid expansion. With this application, the State is seeking approval to implement the following new proposals for its Medicaid expansion as directed by Senate Bill 96:

- Authority to receive the increased Federal Medical Assistance Percentages (FMAP) allowable under 42 U.S.C. Section 1396d(y) for the Adult Expansion demonstration group, which will include the Targeted Adult demonstration group, as well as any components approved for this population,
- A per capita cap funding mechanism,
- Lock out from the Medicaid expansion for committing an Intentional Program Violation,
- Federal expenditure authority to provide housing related services and supports,
- Up to 12-months continuous Medicaid eligibility,
- Not allow hospitals to make presumptive eligibility determinations for the Adult Expansion demonstration group, and
- Additional flexibility for providing managed care.

The State is also requesting to administer the following components and programs under this new waiver application, which are currently authorized under the State’s 1115 Primary Care Network (PCN) Demonstration Waiver:

- Adult Expansion Population, which are adults age 19-64 who have household income up to 95 percent of the federal poverty level (FPL) using the modified adjusted gross income (MAGI) methodology, which includes a five percent of FPL disregard,

- Targeted Adult Medicaid Population, including state plan dental benefits provided to Targeted Adults who are receiving Substance Use Disorder (SUD) treatment,
- Clinically Managed Residential Withdrawal Pilot for the populations covered under this waiver application,
- Substance Use Disorder treatment provided in an Institution for Mental Disease (IMD) for the populations covered under this waiver application,
- Implementing a community engagement requirement for the Adult Expansion Population,
- Authorizing the ability for the State to impose an enrollment cap,
- Waiving Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) for 19 and 20-year-old adults, and
- Requiring individuals with employer-sponsored insurance to enroll in the available insurance.

**Utah 1115 Demonstration Waiver Amendment- Utah Medicaid Integrated Care**

On August 28, 2019, the State submitted an amendment to its current 1115 Waiver requesting authority to:

1. Enroll beneficiaries authorized under Utah’s 1115 Primary Care Network Demonstration Waiver in managed care plans; and,
2. Create and operate an integrated managed care model combining the delivery of physical health and behavioral health services in five Utah counties for the Medicaid expansion groups authorized by this waiver.
3. Beneficiaries not enrolled in Utah Medicaid Integrated Care (UMIC) will be enrolled in Utah’s Accountable Care Organizations (ACO) for their physical health service delivery system and in Prepaid Mental Health Plans (PMHP) for their behavioral health services delivery system.

In addition, the State is requesting expenditure authority to add the following services for the Medicaid expansion groups:

- psychoeducational services,
- personal services,
- respite care, and
- supportive living.

**RATES**



**Managed Care Rates- Rates Submitted to or Approved by CMS-July-September 2019**

Type of Plan	Rate Period	Date Submitted to CMS	Date Approved by CMS	COMMENTS
ACO	SFY 2020 07/01/19- 06/30/20	08/21/2019	Pending Approval	
PMHP	SFY 2020 07/01/19- 06/30/20	07/18/2019	Pending Approval	

Please let us know if you have any questions regarding this information

Sincerely,



Nate Checketts  
Deputy Director, Department of Health  
Director, Medicaid and Health Financing