

1115 Demonstration Waiver Renewal Application Summary*

Renewal Period: July 1, 2010 through June 30, 2013

1115 Program Summary:

Utah's Primary Care Network (PCN) is a statewide section 1115 Demonstration to expand Medicaid coverage to certain able-bodied 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. For State plan eligibles who are categorically or medically needy parents or other caretaker relatives, the Demonstration provides a reduced benefit package and requires increased cost-sharing. Savings from this State plan population fund a Medicaid expansion for up to 25,000 uninsured adults age 19 to 64 with family incomes up to 150 percent of the Federal Poverty Level (FPL). This expansion population of parents, caretaker relatives, and childless adults is covered for a limited package of preventive and primary care services. Also high-risk pregnant women, whose resources made them ineligible under the State plan, are covered under the Demonstration for the full Medicaid benefits package. The PCN Demonstration was amended in October 2006 to also use Demonstration savings to offer assistance with payment of premiums for employer-sponsored health insurance (ESI) through Utah's Premium Partnership for Health Insurance (UPP). The UPP program uses Title XIX funds to provide up to \$150 per month in ESI premium assistance to each uninsured working adult in families with income up to 150 percent FPL. UPP also uses Title XXI funds to provide premium assistance up to \$120 per month per child for CHIP eligible children with family income up 200 percent FPL. UPP children receive dental coverage through direct CHIP coverage or they receive an additional \$20 per month if they receive dental coverage through the ESI. Effective December 18, 2009, The PCN Demonstration was further amended to enable the State to provide premium assistance to children and adults for coverage

obtained under the provisions of the Consolidated Omnibus Reconciliation Act of 1986 (COBRA).

Request for Amendments 11 and 12:

The Utah's Premium Partnership for Health Insurance (UPP) currently provides a subsidy to qualified low income individuals and families when they purchase employer sponsored health insurance or COBRA continuation coverage. House Bill 133, Health System Reform, passed during the 2008 General Session of the Utah State Legislature, directed the Department to request approval from CMS to expand the UPP to provide subsidies for purchase of individual policies and subsidies for purchase of coverage under HIPUtah (the State's high-risk pool). These proposals have received input from many sources including legislative hearings, public notice, and various meeting with the Medical Care Advisory Committee and the Children Health Insurance Program (CHIP) Advisory. The Department has also presented this proposal to the Utah Indian Health Advisory Board. The Tribes did not request further consultation.

Lack of health insurance coverage seriously affects the health of the uninsured and their families. The uninsured are less likely to receive needed care, tend to be more severely ill when diagnosed, and receive fewer preventive services. Approximately 20% of the uninsured, as compared with three percent of those with health insurance, report that their usual source of care is the emergency room. Moreover, the uninsured are 30% to 50% more likely to be hospitalized for an avoidable condition

Uninsured individuals and families that do not have access to employer- sponsored health insurance or COBRA continuation coverage will benefit from these changes. By creating this opportunity, for families, Utah hopes to reach the enrollment target of 1,000 adults established by current state funding and estimates that 5,000 adults and 1,000 children may eventually benefit from the program is additional state funding is allocated in the future.

With this request for waiver renewal Utah formally submits **Amendment 11, Utah Premium Partnership (UPP) subsidies for individual plans** and **Amendment 12, Utah Premium Partnership (UPP) subsidy for the State's high-risk pool (HIPUtah)** for consideration and approval.

Amendment 11 if approved, will allow the state to reimburse the monthly health premiums paid by individuals who enroll in private health plans instead of employer-sponsored plans. This will allow Utah's Premium Partnership for Health Insurance (UPP) to cover individuals who today may not be eligible as their employer does not carry health insurance, it also expands UPP to the self-employed population that is paying the full premium amount on their own.

Amendment 12 if approved, will allow the state to reimburse the monthly health premiums paid by individuals who enroll in the State High Risk Pool. Similar to the previous amendment, the intent is to recognize HIPUtah as a health plan that UPP may reimburse.

*Once submitted, this document will be replaced by the actual renewal package that is sent to the Centers for Medicare and Medicaid Services (CMS).