# Utah DHHS Medicaid 101

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Utah Department of Health & Human Services

# DHHS vision

The Department of Health and Human Services will advocate for, support, and serve all individuals and communities in Utah. We will ensure all Utahns have fair and equitable opportunities to live safe and healthy lives. We will achieve this through effective policy and a seamless system of services and programs.

Ensure all Utahns have fair and equitable opportunities to live safe and healthy lives.

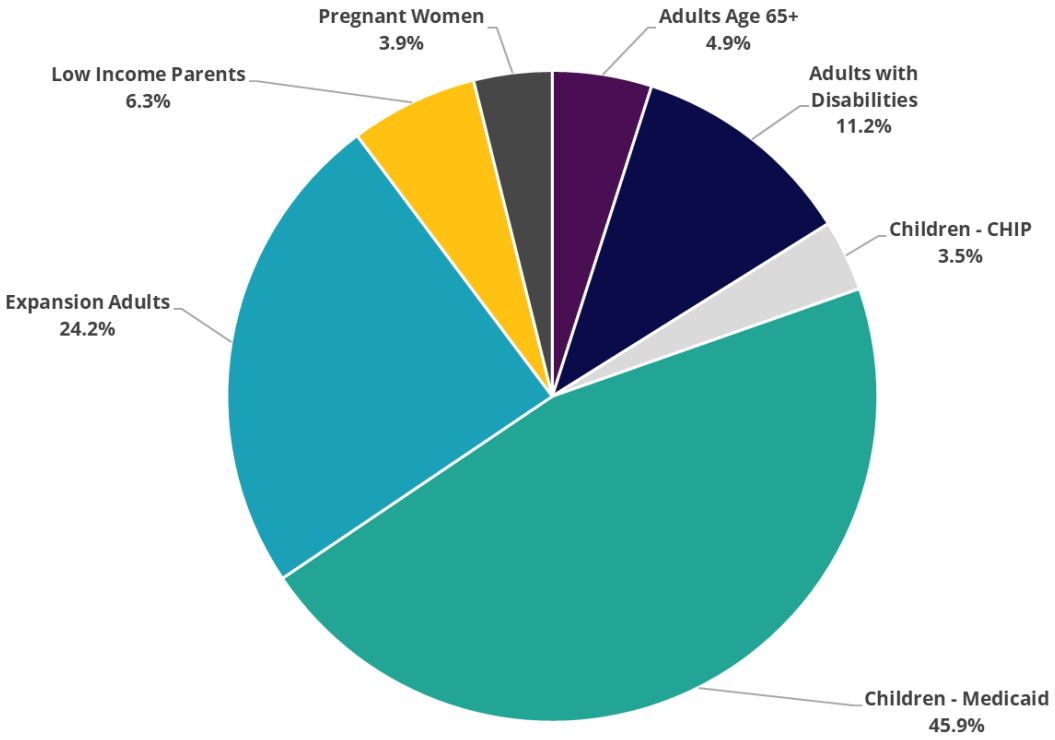
# Utah Medicaid specifics

341,731
members

$5.3 billion
(SFY24)
expenditures

338
employees

# Members by category of assistance
## May 2025



# Who is eligible for Utah Medicaid?

Medicaid eligibility is based primarily on **income** and **household size**.

- Must be a Utah resident.
- Must meet citizenship requirements.
- For the aged or disabled categories, income and asset levels are considered.
- More information on Medicaid eligibility and program types can be found at: medicaid.utah.gov/who-eligible

# What does Medicaid cover?

## Federal mandatory services

In all states, Medicaid must cover essential health care services, including:

- Inpatient and outpatient hospital care
- Doctor visits
- Lab and other diagnostic tests
- Home health services
- Nursing home stays
- Comprehensive services to kids on Medicaid

# What does Medicaid cover?

## Federal optional services

States have flexibility to cover many additional services that federal law designates as “optional,” which include things like:

- Prescription drugs (which all states cover)
- Behavioral health, substance use disorder services
- Personal care services
- Rehabilitation services
- Hospice
- Dental care for adults
- Home and community based services (HCBS)

# How are Medicaid services provided?

Medicaid services are provided through:

- A Managed Care Entity (MCE) or
- Fee for Service network

## Shifting from paying for volume to paying for value

- **Volume = fee for service**
  - Doctors and providers are paid for each service performed
- **Value = managed care**
  - A health care delivery system organized to manage cost, utilization, and quality
  - Medicaid managed care provides for the delivery of Medicaid health benefits and other services through contractual arrangements between the state Medicaid agency and the MCEs that accept payment for these services
  - Pay for performance arrangements in place for some contracts

75% of Medicaid members are enrolled in an MCE. For some members, this is optional or not required.

# Medicaid providers

- Medicaid is not a standalone program.  It is highly interconnected with healthcare delivery in our state.
- **Medicaid pays many different types of providers, including:**
  - Facilities (hospitals, nursing homes, clinics, dialysis centers, and ambulatory surgical centers)
  - Practitioners (physicians, nurse practitioners, psychologists, dentists, physical and occupational therapists, and certified nurse midwives)
  - Home health and personal care agencies
  - Medical transportation providers
  - HCBS waiver providers
  - Managed care providers

# What does Medicaid cost?

| Category | Net | Percent |
|---|---|---|
| Hospitals | $1,876,000,000 | 35% |
| Professional Services | $685,000,000 | 13% |
| Pharmacy | $635,000,000 | 12% |
| Home & Community Based Waivers | $623,000,000 | 12% |
| Nursing Home & Intermediate Care Facilities | $503,000,000 | 9% |
| Mental Health and Substance Abuse | $419,000,000 | 8% |
| Administration | $186,000,000 | 4% |
| ACO Administration | $143,000,000 | 3% |
| Dental Services | $96,000,000 | 2% |
| Premium Assistance | $93,000,000 | 2% |
| Medical Transportation | $58,000,000 | 1% |
| Home Health & Hospice | $47,000,000 | 1% |
| Collections | -$22,000,000 | 0% |
| **Total** | **$5,342,000,000** | **100%** |

# What is the value of federal funds?

- **FMAP = federal medical assistance percentage**
  - Based on state's per capita income, federal formula determines percent of Medicaid expenditures that the federal government pays
- **Utah's federal match is declining.**
  - **Utah's current FMAP at 64.36%.**
  - **Next year Utah's FMAP will be 62.46%**
- While Utah has been long known as "the youngest state", we are experiencing a declining fertility rate, which is outpacing other states in this trend.
  - Utah has the seventh fastest declining fertility rate in the nation.
  - Smaller families and fewer children means a higher per capita income, resulting in a lower FMAP.
- **One percent FMAP drop costs approximately $20 million of the**

# What is the value of Utah Medicaid?

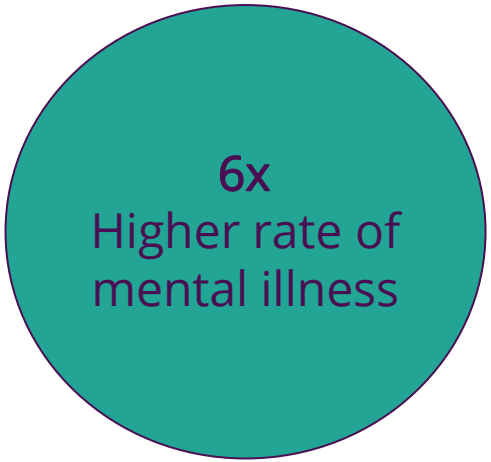
- The Medicaid program improves:
  - Access to healthcare
  - Health outcomes
  - Viability of the healthcare system
  - Economic stability for Utah families
- Medicaid contributes to the overall wellbeing of the state and its resources.
  - 25% of members include working families or single adults who may not earn enough to afford private insurance or have insurance offered by their employer.
  - Medicaid allows them to stay healthy and maintain employment without the worry of overwhelming healthcare costs.

# New policy initiatives

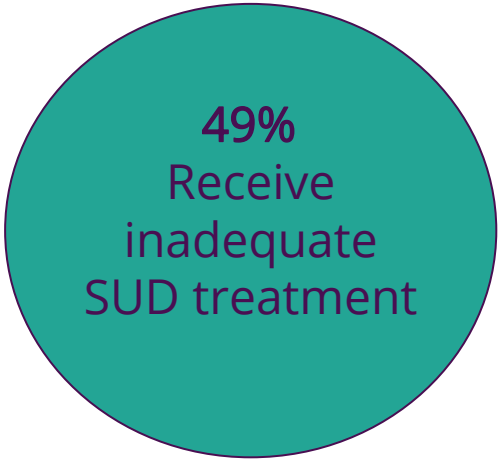
Utah Department of Health & Human Services

# Medicaid coverage for the justice involved

- Incarcerated individuals have higher rates of mental health, substance use disorder, and physical health conditions.
- Healthcare delivery in jails and prison is challenging and may not build a successful bridge of treatment to transition back to the community.







# Re-entry justice benefit (inside the jail)

- Medicaid eligibility screening upon intake
- Up to 90 days pre-release, the member becomes eligible for an “outpatient benefit package” and that can be **billed** to Medicaid, including:
  - Physical health
  - Behavioral health
  - Medications
- Comprehensive case management through re-entry
- Screening for housing support services and rental assistance
- Upon release, the individual leaves with at least a 30-day supply of medications and has a **warm handoff** to community providers (case managers)

# This waiver will have a meaningful impact on the population it serves and reduce state spending

- Improve access to services and continuity of care
- Improve coordination and communication through re-entry
- Reduce mortality
- Reduce healthcare costs through emergency room diversion and inpatient stays
- Reduce rates of recidivism
- Improve community safety

# Implementation timeline

**Juvenile justice facilities are LIVE!**

Medicaid is working with 3 county jails and the prison for a late 2025 implementation.

# Community Engagement (CE) requirement proposal

- Members enrolled in the adult expansion program, will be required to participate and report on completing specific work-related activities, in order to stay enrolled in Medicaid.
- There are exemptions on who has to participate. The state estimates that approximately 10.5% of adult expansion members will ultimately be subject to the community engagement requirement.
- The community engagement requirement is currently a proposal and **the state is accepting public comments until May 22, 2025.** Comments can be submitted online https://medicaid.utah.gov/1115-waiver/

# CE requirements

Members who are subject to the community engagement requirement and do not meet an exemption, must complete the following activities within a 3-month participation period:

- Create a job seeker account with DWS at jobs.utah.gov
- Complete the online evaluation (series of questions) of employment training needs
- Complete the required online job training modules
- Apply for at least 48 jobs

Individuals must complete the community engagement requirement each year.

# Expanding school based service delivery

July 1, 2025, Local Education Agencies (LEAs) will be able to bill Medicaid for healthcare services delivered to all Medicaid eligible students in the school setting.

# Congressional budget reductions

# House Energy and Commerce budget proposal to save $880B over 10 years

Status:  Committee bills are being assembled into a full reconciliation package that Congress hopes to vote on by Memorial Day

Many Medicaid provisions, including:

1. Mandated community engagement / work requirements for certain adults as a condition of Medicaid eligibility
2. Moratorium on new or increased provider taxes
3. 10% FMAP penalty on adult expansion for states who offer comprehensive coverage to non-citizens

# Question and answer

Utah Department of Health & Human Services