Utah Department of Health & Human Services

State of Utah

Section 1115 Demonstration Amendment

Community Engagement

Background

Studies show that poverty, food insecurity, housing, and employment status can impact an individual's overall health, and there is a strong connection between improved health and being employed.[1] Working has been shown to help stabilize people struggling with mental health conditions.[2] Examples of negative health outcomes associated with unemployment include increases in depression, anxiety, mixed symptoms of distress, and low self-esteem.[3, 4] Other research suggests an association of unemployment with poorer physical health (including increases in cardiovascular risk factors such as hypertension and serum cholesterol as well as increased susceptibility to respiratory infections), and mortality.[5,6] Additional studies that examine the relationship between re-employment (i.e., returning to work) and health find association between re-employment and improved mental health.[7]

On December 23, 2019, the Centers for Medicare and Medicaid Services (CMS) authorized the Utah Department of Health and Human Services (DHHS) authority to implement a full Medicaid expansion in the State. The expansion extends Medicaid eligibility to Utah adults

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[1] Hibbard, J. H., and J. Greene. "What the Evidence Shows About Patient Activation: Better Health Outcomes and Care Experiences; Fewer Data on Costs." Health Affairs, vol. 32, no. 2, 2013, pp. 207–214. doi:10.1377/hlthaff.2012.1061

[2] How working improves your mental health, McLean Medical (June 26, 2020), https://perma.cc/A7ZY-7HHZ

[3] Gordon Waddell and A. Kim Burton, Is Work Good for your Health and Well-Being?, (2006), https://www.gov.uk/government/publications/is-work-good-for-your-health-and-well-being

[4] Karsten Paul and Klaus Moser, "Unemployment Impairs Mental Health: Meta Analyses," Journal of Vocational Behavior 74, no.3 (June 2009): 264-282, https://www.sciencedirect.com/science/article/abs/pii/S0001879109000037

[5] Gordon Waddell and A. Kim Burton, *Is Work Good for your Health and Well-Being?*, (2006), https://www.gov.uk/government/publications/is-work-good-for-your-health-and-well-being

[6] Karsten Paul and Klaus Moser, "Unemployment Impairs Mental Health: Meta Analyses," *Journal of Vocational Behavior* 74, no.3 (June 2009): 264-282, https://www.sciencedirect.com/science/article/abs/pii/S0001879109000037

[7] K. Hergenrather, et al., Employment as a Social Determinant of Health: A Systematic Review of Longitudinal Studies Exploring the Relationship Between Employment Status and Physical Health, Rehabilitation Research, Policy, and Education (2015), https://www.researchgate.net/publication/273333771_Employment_as_a_Social_Determinant_of_Health_A_Systematic_Review_of_Longitudinal_Studies_Exploring_the_Relationship_Between_Employment_Status_and_Physical_Health

suspension and closure due to non-participation, regaining eligibility, reasonable modifications, member supports, and impacts to members are also outlined below.

1. Community Engagement Exemptions

The State recognizes that not all members may be able to participate in the CE requirement, or they may already be participating in other work or training activities that meet the goals of the Demonstration. Therefore, the State will exempt certain members from the requirement, as approved under the State's 1115 Demonstration. The exemptions are largely aligned with federal SNAP exemptions. The exemptions are:

A. Age 60 or older;
B. Pregnant or within the twelve month post-partum period;
C. Physically or mentally unable to meet the requirements;
D. A parent or other member of the household with the responsibility to care for a dependent child under age six;
E. Responsible for the care of a person with a disability as defined by the ADA, section 504 of the Rehabilitation Act, or section 1557 of the Patient Protection and Affordable Care Act ;
F. A member of a federally recognized tribe;
G. Has applied for and is awaiting an eligibility determination for unemployment insurance benefits, or is currently receiving unemployment insurance benefits, and has registered for work at the Department of Workforce Services (DWS). Appealing an unemployment insurance decision is also an exemption;
H. Participating regularly in a Substance Use Disorder (SUD) treatment program, including intensive outpatient treatment;
I. Enrolled at least half time in any school (including, but not limited to, college or university) or vocational training or apprenticeship program;
J. Participating in refugee employment services offered by the State, which may include vocational training and apprenticeship programs, case management, and employment planning;
K. State Family Employment Program (FEP) recipients who are working with an employment counselor;
L. A member cooperating with SNAP employment requirements;
M. Working at least 30 hours a week or working and earning at least federal minimum wage times 30 hours a week;
N. A justice involved member in the first six months after release from incarceration;
O. A member on probation or parole who is required to complete court ordered activities such as work release, drug court etc.

4. Regaining Eligibility

- Members who lose eligibility may become eligible again by completing all required activities or by demonstrating good cause or meeting an exemption.
- After completing all required participation activities, the individual must reapply for Medicaid. Benefits will be effective the first day of the month in which they reapply.
- If the individual meets the qualifications for an exemption or demonstrates good cause for the earlier non-compliance, or becomes eligible for Medicaid under an eligibility category that is not subject to the CE requirement, the individual can re-enroll with consideration for retroactive coverage.

5. Good Cause for Not Participating

The State will waive loss of eligibility if a member demonstrates good cause for failure to participate in the CE requirement. The good cause will exempt the member as long as the good cause reason exists. Good cause reasons include, but are not limited to:

A. The member or an immediate family member who was living in the home with the member experiences a hospitalization or temporary illness;
B. The member experiences the birth, or death of a family member living with the member;
C. The member experiences severe inclement weather (including natural disaster) and therefore was unable to meet the requirement;
D. The member has a family emergency or other life-changing event (e.g. divorce or domestic violence);
E. The member is not able to participate due to a lack of internet access or transportation;
F. There are fewer than 48 employers in the member's geographic area that potentially could offer employment to the member or from whom the member reasonably could be expected to accept an offer of employment;
G. The member is the primary caretaker of a child age 6 or older and is unable to meet the requirement due to childcare responsibilities.

6. Reasonable Modifications

The State will provide reasonable modifications related to meeting the CE requirement for members with disabilities protected by the ADA, Section 504, or Section 1557, when necessary, to enable them to have an equal opportunity to participate in, and benefit from, the program. The State will also provide reasonable modifications for program requirements and procedures, including but not limited to, assistance with demonstrating eligibility for an exemption from CE requirements on the basis of disability; demonstrating

promote member's financial independence by encouraging members to obtain or sustain employment.

Operation and Proposed Timeline

The demonstration will operate statewide. The State intends to implement the proposed benefit as soon as possible after approval, but will require at least 6 months for operational readiness. The State requests to operate the demonstration through June 30, 2027.

Demonstration Impact to Medicaid and CHIP

The requirement is an eligibility restriction on the AEM demonstration group. Any new applicant will be required to meet the participation requirements or meet an exemption or demonstrate good cause. Any person presently enrolled in AEM will be required to participate or be determined exempt at the beginning of their next certification period. This requirement will not impact CHIP or traditional Medicaid.

Demonstration Hypotheses and Evaluation

With the help of an independent evaluator, the State will develop a plan for evaluating the hypotheses indicated below. The State will identify validated performance measures that adequately assess the impact of the demonstrations to members. The State will submit the evaluation plan to CMS for approval.

The State will conduct ongoing monitoring of this demonstration, and will provide information regarding monitoring activities in the required quarterly and annual monitoring reports.

The following hypothesis will be tested during the approval period:

Hypothesis	Anticipated Measure(s)	Data Sources	Evaluation Approach
The community engagement requirement will encourage skills development through an evaluation of job search readiness and the completion of employment related	• Number of trainings completed/ ended • Number of job searches • Number of job registrations	eREP & UWORKS system data	Independent evaluator will design quantitative and qualitative measures to include quasi-experimental comparisons.

requirements will not differ from those provided under the state plan.

Section IV. Delivery System and Payment Rates for Services

Services for the AEM group will be provided through fee-for-service (FFS) during the month of application and potentially the following month depending on the date of approval. In addition, AEM members that live in non-mandatory managed care counties will receive services through the FFS network if they choose not to enroll in a managed care plan. FFS reimbursement rates for physical health and behavioral health services will be the same as State Plan provider payment rates.

AEM members living in mandatory managed care counties will be enrolled in managed care no later than the second month after they are approved for Medicaid Expansion. In addition, in Utah's five largest counties, members in the AEM group will be enrolled in integrated plans that provide access to both physical health and behavioral health services through a single managed care plan. In the remaining counties, members will be enrolled in a pre-paid mental health plan for their behavioral health services.

Section V. Implementation and Enrollment in Demonstration

Members currently enrolled in the AEM group under Utah's 1115 Demonstration waiver will remain as the AEM group under the new demonstration.

The State will provide members with official notices about when CE requirements will commence, specific activities that will satisfy the requirements, how to complete the activities, and supports that are available to assist members in meeting the requirements. Members will also be notified of the timeframe in which they have to complete these activities. This notice will be sent upon approval and renewal of AEM, if the individual does not appear to meet an exemption or demonstrate good cause.

Section VI. Demonstration Financing and Budget Neutrality

Refer to Budget Neutrality- Attachment 1 for the State's historical and projected expenditures for the requested period of the demonstration.

Below are the projected enrollment and expenditures for the remaining demonstration year:

Enrollment	DY25(SFY 27) Community Engagement anticipated start date: 7/1/26
AEM	75,204

Expenditure Authority

The State is requesting expenditure authority for expenditures for services delivered to the Adult Expansion population with federal financial participation pursuant to 42 U.S.C. Section 1396d(y).

Section VIII. Compliance with Public Notice and Tribal Consultation

Public Notice Process

Public notice of the State's request for this demonstration amendment, and notice of public hearing will be advertised in the newspapers of widest circulation and sent to an electronic mailing list. In addition, the abbreviated public notice will be posted to the State's Medicaid website at https://medicaid.utah.gov/1115-waiver.

Two public hearings to take public comment will be held as indicated below:

- Friday, May 2, 2025, from 12:30 pm to 2:00 pm.
  - In person: Multi-Agency State Office Building 195 N 1950 W, Salt Lake City, Utah Room 1020 A-B-C
  - Video Conference: Google Meet Meeting meet.google.com/ieq-jggb-pec
  - Or join by phone: (US) +1 513-818-1049 PIN: 510 813 429#
- Wednesday, May 14, 2025, from 4:00 pm to 6:00 pm.
  - In person: Multi-Agency State Office Building 195 N 1950 W, Salt Lake City, Utah Room 1020 A-B-C
  - Video Conference: Google Meet Meeting meet.google.com/env-pmts-caw
  - Or join by phone: (US) +1 262-546-6218 PIN: 431 053 232#

Public Comment

The public comment period will be held April 22, 2025 through May 22, 2025.

Tribal Consultation

In accordance with the Utah Medicaid State Plan, and section 1902(a)(73) of the Social Security Act and the DHHS Intergovernmental Policy 01.19 Formal DHHS Tribal Consultation and Urban Indian Organization Conferment Process Policy , the State ensures that a meaningful consultation process occurs in a timely manner on program decisions or policy impacting Indian Tribes and the Urban Indian Organization (UIO) in the State of Utah. DIH has notified the DHHS Tribal Health Liaison of the waiver amendment. As a result of this notification, DIH will begin to engage in the tribal consultation process by attending the Utah Indian Health Advisory Board (UIHAB) meeting on May 9, 2025, to present this demonstration amendment.

DEMONSTRATION WITHOUT WAIVER (WOW) BUDGET PROJECTION: COVERAGE COSTS FOR POPULATIONS

ELIGIBILITY GROUP	TREND RATE 1	DEMONSTRATION YEARS (DY) DY 21 (SFY 23)	DY 22 (SFY 24)	DY 23 (SFY 25)	DY 24 (SFY 26)	DY 25 (SFY 27)	DY21-25 TOTAL WOW
Current Eligibles							
Pop Type:	Medicaid						
Eligible Member Months	0.0%	479,104	196,941	Pop. Ended 12/31/23			
PMPM Cost	5.3%	$ 628.81	$ 649.69				
Total Expenditure		$ 347,560,796	$ 145,816,589				$ 493,377,385
Demo Pop I - PCN Adults with Children							
Pop Type:	Hypothetical						
Eligible Member Months	5.9%						
PMPM Cost	5.3%						
Total Expenditure							$ -
Demo Pop III.V - UPP Adults with Children *							
Pop Type:	Hypothetical						
Eligible Member Months	32.9%	36,498	45,222	66,360	89,520	120,727	
PMPM Cost	0.0%	$ 388.58	$ 388.58	$ 388.58	$ 388.58	$ 388.58	
Total Expenditure		$ 14,182,519	$ 18,126,645	$ 25,784,069	$ 34,785,867	$ 46,912,221	$ 140,801,211
Demo Pop I - PCN Childless Adults							
Pop Type:	Medicaid						
Eligible Member Months							
PMPM Cost							
Total Expenditure							$ -
Demo Pop III.V - UPP Childless Adults *							
Pop Type:	Medicaid						
Eligible Member Months	169	184	189	194	199	204	
PMPM Cost	$ 68.45	$ 388.58	$ 388.58	$ 388.58	$ 388.58	$ 388.58	
Total Expenditure		$ 71,451	$ 73,442	$ 75,278	$ 77,160	$ 79,069	$ 376,620
Employer Sponsored Insurance (ESI)							
Pop Type:	Hypothetical						
Eligible Member Months		11,310	9,192	8,650	8,140	7,660	
PMPM Cost	5.3%	$266.22	$280.33	$295.19	$310.83	$327.31	
Total Expenditure		$ 3,010,948	$ 2,576,733	$ 2,553,364	$ 2,530,186	$ 2,507,200	$ 13,178,511
Adult Expansion Population		*Assumes higher PMPM from Mid-Course Correction then trended forward at 4.7%*				*Community Engagement: Assumes start date of 7/1/2026*	
Pop Type:	Expansion						
Eligible Member Months		1,537,011	1,082,920	1,019,071	956,987	902,445	
PMPM Cost	4.7%	$ 651.40	$ 837.96	$ 877.34	$ 919.08	$ 961.76	
Total Expenditure		$ 1,001,208,665	$ 907,443,643	$ 894,075,982	$ 880,905,241	$ 867,928,521	$ 4,551,562,353
Former Foster							
Pop Type:	Hypothetical						
Eligible Member Months	0.0%	10	10	10	10	10	
PMPM Cost	4.8%	$ 1,252.63	$ 1,312.76	$ 1,375.77	$ 1,441.81	$ 1,511.01	
Total Expenditure		$ 12,526	$ 13,128	$ 13,758	$ 14,418	$ 15,110	$ 68,940
Intense Stabilization Services (ISS)							
Pop Type:	Hypothetical						
Eligible Member Months	0.0%	1,440	1,440	1,440	1,440	1,440	
PMPM Cost	5.3%	$2,328.50	$2,451.91	$2,581.86	$2,718.70	$2,862.79	
Total Expenditure		$ 3,353,038	$ 3,530,749	$ 3,717,679	$ 3,914,927	$ 4,122,418	$ 18,639,012
In-Vitro Fertilization (IVF) Treatment							
Pop Type:	Hypothetical						
Eligible Member Months	13.5%	162	164	209	237	269	
PMPM Cost	5.0%	$ 20,568.99	$ 21,620.64	$ 22,703.99	$ 23,841.63	$ 25,036.27	
Total Expenditure		$ 3,341,461	$ 3,560,316	$ 4,746,077	$ 5,656,320	$ 6,741,137	$ 24,467,310
Medicaid for Justice-Involved Populations							
Pop Type:	Hypothetical						
Eligible Member Months	1.75%	39,756	40,451	41,159	41,880	42,613	
PMPM Cost	3.0%	$ 551.67	$ 568.22	$ 585.26	$ 602.82	$ 620.91	
Total Expenditure		$ 21,931,981	$ 22,985,264	$ 24,089,131	$ 25,246,012	$ 26,458,452	$ 123,710,839
Mental Health Institutions for Mental Disease (IMD)							
Pop Type:	Hypothetical						
Eligible Member Months	2.5%	11,043	11,319	11,602	11,892	12,190	
PMPM Cost	5.3%	$ 14,339.69	$ 15,089.69	$ 15,899.97	$ 16,742.67	$ 17,630.03	
Total Expenditure		$ 158,356,552	$ 170,818,166	$ 184,476,270	$ 199,109,650	$ 214,904,259	$ 927,765,096

DEMONSTRATION WITH WAIVER (WW ALL) BUDGET PROJECTION: COVERAGE COSTS FOR POPULATIONS

ELIGIBILITY GROUP	DY 15	DEMO TREND RATE	DY 21 (SFY 23)	DY 22 (SFY 24)	DY 23 (SFY 25)	DY 24 (SFY 26)	DY 25 (SFY 27)	TOTAL WW
Current Eligibles								
Pop Type:	**Medicaid**							
Eligible Member Months	377,066	0.0%	473,104	198,941				
PMPM Cost	$ 949.03	5.3%	$ 1,239.75	$ 1,362.32				
Total Expenditure			$ 613,841,397	$ 268,295,675				$ 882,136,072
Demo Pop I - PCN Adults w/Children								
Pop Type:	**Hypothetical**							
Eligible Member Months	164,936	5.9%	-	-	-	-	-	
PMPM Cost	$ 46.18	5.3%	-	-	-	-	-	
Total Expenditure			$ -	$ -	$ -	$ -	$ -	$ -
Demo Pop III/V - UPP Adults with Children								
Pop Type:	**Hypothetical**							
Eligible Member Months	6,067	34.9%	$ 36,489	$ 49,222	$ 66,360	$ 89,520	$ 120,727	
PMPM Cost	$ 150.08	0.0%	$ 388.58	$ 388.58	$ 388.58	$ 388.58	$ 388.58	
Total Expenditure			$ 14,167,515	$ 19,126,545	$ 25,784,069	$ 34,785,867	$ 46,912,221	$ 140,801,211
Demo Pop I - PCN Childless Adults								
Pop Type:	**Medicaid**							
Eligible Member Months	70,097	4.9%	-	-	-	-	-	
PMPM Cost	$ 48.97	5.3%	$ -	$ -	$ -	$ -	$ -	
Total Expenditure			$ -	$ -	$ -	$ -	$ -	$ -
Demo Pop III/V - UPP Childless Adults								
Pop Type:	**Medicaid**							
Eligible Member Months	159	4.6%	$ 164	$ 169	$ 174	$ 196	$ 204	
PMPM Cost	$ 68.45	5.3%	$ 388.58	$ 388.58	$ 388.58	$ 388.58	$ 388.58	
Total Expenditure			$ 71,651	$ 73,442	$ 75,278	$ 77,160	$ 79,089	$ 376,620
Employer Sponsored Insurance (ESI)								
Pop Type:	**Expansion**							
Eligible Member Months			11,310	9,192	8,860	8,140	7,660	
PMPM Cost		5.3%	$ 266.22	$ 280.33	$ 295.19	$ 310.83	$ 327.31	
Total Expenditure			$ 3,010,949	$ 2,576,793	$ 2,563,364	$ 2,530,156	$ 2,507,195	$ 13,178,406
Adult Expansion Population			*Assumes higher PMPM from Mid-Course Correction then trended forward at 4.7%*				*Community Engagement Assumes start date of 7/1/2025*	
Pop Type:	**Expansion**							
Eligible Member Months			1,537,011	1,082,420	1,019,071	958,987	902,445	
PMPM Cost		4.7%	$ 651.40	$ 837.96	$ 877.34	$ 918.68	$ 961.75	
Total Expenditure			$ 1,001,209,965	$ 907,443,843	$ 894,076,962	$ 880,905,241	$ 867,926,521	$ 4,551,562,353
Former Foster Care								
Pop Type:	**Hypothetical**							
Eligible Member Months		0.0%	10	10	10	10	10	
PMPM Cost		4.8%	$ 1,252.63	$ 1,312.76	$ 1,375.77	$ 1,441.81	$ 1,511.01	
Total Expenditure			$ 12,526	$ 13,128	$ 13,758	$ 14,418	$ 15,110	$ 68,940
Intense Stabilization Services (ISS)								
Pop Type:	**Expansion**							
Eligible Member Months		2.6%	1,440	1,440	1,440	1,440	1,440	
PMPM Cost		5.3%	$2,326.50	$2,451.91	$2,581.86	$2,718.70	$2,862.78	
Total Expenditure			$ 3,353,038	$ 3,530,749	$ 3,717,878	$ 3,914,927	$ 4,122,418	$ 18,639,012
In-Vitro Fertilization (IVF) Treatment								
Pop Type:	**Hypothetical**							
Eligible Member Months		13.5%	162	184	209	237	269	
PMPM Cost		5.0%	$ 20,638.99	$ 21,670.64	$ 22,703.99	$ 23,841.63	$ 25,036.27	
Total Expenditure			$ 3,341,461	$ 3,982,315	$ 4,746,077	$ 5,656,320	$ 6,741,137	$ 24,467,310
Medicaid for Justice-Involved Populations								
Pop Type:	**Hypothetical**							
Eligible Member Months		1.6%	33,756	40,451	41,159	41,860	42,613	
PMPM Cost		3.0%	$ 651.67	$ 668.22	$ 685.26	$ 602.62	$ 620.91	
Total Expenditure			$ 21,931,981	$ 22,985,264	$ 24,089,131	$ 25,246,912	$ 26,458,452	$ 120,710,839
Mental Health Institutions for Mental Disease (IMD)								
Pop Type:	**Hypothetical**							
Eligible Member Months		2.6%	11,043	11,319	11,602	11,892	12,190	
PMPM Cost		5.3%	$ 14,339.69	$ 15,099.68	$ 15,899.97	$ 16,742.67	$ 17,630.03	
Total Expenditure			$ 158,359,552	$ 170,918,165	$ 184,476,270	$ 199,109,850	$ 214,904,239	$ 927,765,096
Serious Mental Illness (SMI)								
Pop Type:	**Hypothetical**							
Eligible Member Months		2.6%	17,669	18,130	18,583	19,046	19,524	
PMPM Cost		5.3%	$ 14,990.85	$ 15,793.79	$ 16,639.66	$ 17,512.20	$ 18,440.45	
Total Expenditure			$ 265,299,529	$ 286,341,176	$ 309,056,160	$ 333,570,999	$ 360,031,512	$ 1,554,295,400
Substance Use Disorder (SUD)								
Pop Type:	**Hypothetical**							
Eligible Member Months		5.9%	49,527	52,940	56,567	60,466	64,654	
PMPM Cost		5.0%	$ 4,239.75	$ 4,451.74	$ 4,674.33	$ 4,908.05	$ 5,153.45	
Total Expenditure			$ 209,983,503	$ 235,674,067	$ 264,507,761	$ 296,869,197	$ 333,169,497	$ 1,340,224,045
Targeted Adults								
Pop Type:	**Expansion**							
Eligible Member Months			120,464	89,798	84,504	79,521	74,833	
PMPM Cost		5.5%	1,177	1,243	1,310	1,382	1,458	
Total Expenditure			$ 141,812,630	$ 111,616,220	$ 110,723,901	$ 109,925,864	$ 109,134,951	$ 583,213,556
Long-Term Support Services (LTSS)								
Pop Type:	**Hypothetical**							
Eligible Member Months	0.0%	0.0%	-	600	600	600	600	
PMPM Cost	5.0%	0.0%	-	9,578	10,057	10,560	11,088	