

# Medicaid Flexibility

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## Federal Government has Denied Several Requests to Improve Utah Medicaid

When states elect to offer Medicaid, the program comes with a long list of federal rules, regulations, and restrictions. In an attempt to bring some innovation to the program, states can request demonstration waivers to pursue alternative ways to provide this coverage.

In recent years, Utah has applied for several different demonstration waivers or amendments. The majority of these requests have been denied by the federal government.

1. **Accountable Care Organizations** – The State wanted to change managed care in a way that brought more accountability to health plans, medical providers, and clients. The federal government denied three of the five changes requested by the State:
  - a. Allow the State to charge slightly higher co-pays for some services (e.g., charging \$5 for a preferred generic drug). **[DENIED – Requires a change in federal law]**
  - b. Allow the State to use a prioritized list of services when implementing cuts during budget shortfalls (i.e., the lowest priority services would be cut first). This request was modeled after the approved practice in Oregon’s Medicaid. **[DENIED]**
  - c. Allow clients to have the option to receive premium assistance for enrolling in their employer’s health plan (or COBRA plan) rather than receiving direct coverage through Medicaid. **[DENIED]**
  - d. Allow the State to encourage plans to change their reimbursement to providers away from the traditional fee for service arrangement. **[APPROVED]**
  - e. Allow the State to contract with plans to offer incentives to clients when they complete certain healthy behavior activities. [Originally **DENIED** then **APPROVED**]
2. **Community Service** – The State wanted to permit some applicants early admission to the Primary Care Network (PCN) program if they completed a certain number of community service hours each month. **[DENIED]**
3. **Premium Assistance** – The State wanted to expand the use of its premium assistance program (Utah’s Premium Partnership for Health Insurance), which would allow more clients the option to move from traditional state health insurance programs to the private health insurance market. The State sought two changes in this area:
  - a. Allow the State to increase coverage to 200 percent of the federal poverty level for parents of CHIP children and other adults. **[APPROVED]**
  - b. Allow the State to offer premium assistance to families if they opted to purchase coverage in the individual, non-group insurance market. **[DENIED]**
4. **Paperless Application** – The State wanted to allow individuals to elect to apply for Medicaid coverage via an electronic application process, rather than by using paper applications. [Originally **DENIED** then **APPROVED**]