Maryland Medicaid Program & Health Care Reform

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Maryland Medicaid Basics

• In Maryland, Medicaid is also called Medical Assistance or MA.

• MA is a joint federal-state program that provides health and long term care coverage to low-income children and parents, pregnant women, the elderly, and people with disabilities.
Current Medicaid Enrollment  
(as of May 2013)

• Provides benefits for an average of more than 1 million people – approximately one in six Marylanders.
  
  o Over 806,600 are enrolled in HealthChoice (managed care).

  o Primary Adult Care (PAC) covers approximately 77,000 people (or close to 7% of the total Medicaid population).

• Costs over $7 billion in state and federal funds.
Maryland Medicaid’s

HIV SERVICE DELIVERY
HIV Services

• Currently, for HIV/AIDS enrollees, MCOs must offer case management, linking the enrollee with the full range of available benefits, as well as any needed support services.

• Some Medicaid services are “carved out” of the MCO benefit package (such as HIV drugs).

• HIV drugs and other services are paid through Medicaid fee-for-service (FFS), not by the MCOs.

• Substance abuse treatment is also covered by MCOs in HealthChoice and PAC. It is a self-referred service.
## Baltimore EMA
(as of April 2013)

<table>
<thead>
<tr>
<th></th>
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<td>Harford</td>
<td>*</td>
<td>*</td>
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<td>Howard</td>
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<td>21</td>
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<td>Queen Anne’s</td>
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<tr>
<td>Baltimore EMA</td>
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<td>1,860</td>
<td>1,237</td>
<td>3,365</td>
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<td>Maryland</td>
<td>911</td>
<td>939</td>
<td>2,291</td>
<td>1,647</td>
<td>4,430</td>
<td>10,218</td>
</tr>
</tbody>
</table>

*Cells with less than 15 enrollees are not reportable.*
HIV/AIDS MCO Capitation Rates

• PAC capitation rates are based on age, gender, and location. PAC pays the same capitation rate for all beneficiaries, with or without HIV/AIDS diagnosis. They range from about $165.54 to $271.19, per member per month (all HIV/AIDS drugs are carved out).

• For HealthChoice enrollees, Maryland uses a risk-adjusted methodology to set capitation rates.

• HealthChoice HIV/AIDS Capitation Rates for medical costs, per member per month, mid year rates for 2013 (all HIV/AIDS drugs are carved out):
  • HIV Families & Children: $604.51
  • HIV Disabled: $1673.75
  • AIDS:
    • Baltimore City: $2346.26
    • Rest of State: $1580.76
HIV/AIDS Pharmacy Costs
(as of April 2013)

- All HIV/AIDS drugs are carved-out of HealthChoice and PAC and are covered under FFS.
- HIV/AIDS drug costs average approximately $9 million per month (before rebates) for HealthChoice, FFS, and PAC recipients.
- PAC recipients pay $7.50 (brand) and $2.50 (generic) co-pays for all HIV/AIDS drugs, which amounts to approximately $19,000/month total.
- HealthChoice and FFS recipients pay $1 co-pays for all HIV/AIDS drugs, which amounts to approximately $7,000/month total.
Overview of HEALTH REFORM & MARYLAND MEDICAID EXPANSION
Affordable Care Act Overview

• Signed into law on March 23, 2010.

• Insurance market reforms mainly start in 2014:
  o Guarantee issue--Insurance companies cannot deny coverage due to pre-existing conditions.
  o More difficult for insurance companies to rescind coverage.
  o Commercial insurance premium costs may only vary by community rating based on four factors:
    o Age,
    o Smoking status,
    o Geographic region, and
    o Individual or family coverage.
Affordable Care Act Overview Cont’d

• Health reform will make commercial health insurance products more comprehensive and comparable.

• Coverage to age 26 on parent policies.

• Rate reviews and “rebates” when too little overall care is funded (80/20 rule).

• Individual mandate (unless affordability exemption).

• Employers with 50 or more full-time employees must offer coverage or face a tax penalty if at least one full-time employee receives a premium tax credit (postponed until 2015).
Greater Accessibility

• Medicaid is expanding to include adults under 138% of the federal poverty level (FPL).

• Medicaid is also expanding coverage up to age 26 for former foster care children.

• Recipients enrolled in the limited benefit program, Primary Adult Care (PAC), will receive full Medicaid benefits in 2014.

• Individuals from 138-400% FPL will be eligible for:
  o Advanced premium tax credits (APTC) so that no one pays more than 9.5% of their income on their health insurance premium. (The tax credits provide the rest.)
  o Cost-sharing reductions (CSR) on a sliding scale up to 250% FPL.
Medicaid Expansion

• In 2014, approximately 88,000 PAC enrollees and 20,000 individuals new to Medicaid will be eligible for full benefits.

• Maryland currently provides childless adults a limited benefits package at a 50/50 match through PAC.
  o In 2014, these enrollees will be automatically enrolled into full Medicaid.
  o Therefore, it is important to enroll as many people as are eligible into PAC now so they will automatically receive full benefits on January 1, 2014.
New Enrollment

- The expansion is estimated to expand full coverage to 190,000 Marylanders by 2020.

![Medicaid Enrollment with and without ACA](image-url)
Medicaid Expansion

• If a person qualifies for Medicaid, s/he will receive the full benefit package, regardless of income level.

• MCO enrollment will be required for Medicaid recipients enrolling through the Maryland Health Connection.

• Medicaid will continue to ensure that there are enough health care providers.
  – Medicaid requires that MCOs have minimum ratio of primary care providers to recipients in their networks.
  – Medicaid reviews MCO provider networks annually.
Medical Assistance Coverage Based on MAGI and APTC/CSR through the Exchange

Advance Premium Tax Credits (APTC) & Cost Sharing Reductions* (CSR) to Purchase Coverage Through the Exchange

Poverty Level:
1 person = $11,490
2 persons = $15,510
4 persons = $23,550
As of April 2013

*Cost-sharing subsidy ends at 250% FPL
(Coverage effective 01/01/14)
• **Maryland Health Connection** is the new name for Maryland’s public health insurance marketplace, which is a state-based exchange.

• The State will use a “no wrong door” approach to help Marylanders determine eligibility for *no-cost* and *low-cost* health insurance.
  o Medicaid
  o Commercial qualified health plans (QHPs)

• Local Health Departments (LHDs) and Department of Social Services (DSS) will use Maryland Health Connection to determine eligibility for most enrollees.

• Applicants will be able to apply online, by phone, mail, or in-person at existing and new locations and receive real-time determinations.
  o **Open Enrollment begins October 1, 2013.**
  o **Coverage is effective on January 1, 2014.**
Connector Entities

REGIONAL CONNECTOR ENTITIES

- **central**: Health Care Access Maryland (HCAM)
- **southern**: Calvert Healthcare Solutions
- **upper eastern shore**: Seedco
- **lower eastern shore**: Worcester County Health Department
- **western**: Healthy Howard
- **capital**: Montgomery County Department of Health & Human Services
Consumer Assistance

• Medicaid and the MHBE will jointly utilize a statewide call center called the Consolidated Services Center and Navigator/enrollment brokers as shared services for assistance.

• Connector Entities will:
  o Conduct public education and outreach as required by the Affordable Care Act
  o Distribute fair and impartial information
  o Facilitate enrollment in health plans
  o Provide referrals for grievances, complaints, and questions
  o Provide information in a culturally and linguistically appropriate manner
  o Maintain expertise in eligibility, enrollment, and program specifications

• Navigators and assisters will receive training before they begin serving clients.
Examples of

TAX AND COST-SHARING SUBSIDIES IN QHPS
How Cost-sharing and Tax Subsidies Will Work

• **Maryland Health Connection** offers premium tax credits to individuals and families between 138-400% FPL without access to affordable health insurance.
  o Advanced premium tax credits (APTCs) ensure that no one pays more than 9.5% of their income on health insurance premiums.
  o Tax credits pay the rest and go directly to the insurance carrier.

• Cost-sharing subsidies are also available to individuals and families below 250% FPL on a sliding scale.
# Income Eligibility for Adults

<table>
<thead>
<tr>
<th>If your household size is this:</th>
<th>You may be eligible for Medicaid if your income* is this:</th>
<th>You may be eligible for reduced premiums and/or lower insurance costs if your income is this:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Less than $15,856</td>
<td>$15,857 - $45,960</td>
</tr>
<tr>
<td>2</td>
<td>Less than $21,404</td>
<td>$21,405 - $62,040</td>
</tr>
<tr>
<td>3</td>
<td>Less than $26,951</td>
<td>$26,952 - $78,120</td>
</tr>
<tr>
<td>4</td>
<td>Less than $32,499</td>
<td>$32,500 - $94,200</td>
</tr>
<tr>
<td>5</td>
<td>Less than $38,047</td>
<td>$38,048 - $110,280</td>
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<tr>
<td>6</td>
<td>Less than $43,595</td>
<td>$43,596 - $126,360</td>
</tr>
<tr>
<td>7</td>
<td>Less than $49,143</td>
<td>$49,144 - $142,440</td>
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<tr>
<td>8</td>
<td>Less than $54,691</td>
<td>$54,692 - $158,520</td>
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</tbody>
</table>

*Income eligibility levels for children and pregnant women are higher.
## Individual Premium Subsidies

<table>
<thead>
<tr>
<th>FPL</th>
<th>Annual Income*</th>
<th>Maximum Premium (as % of income)</th>
<th>Enrollee’s Monthly Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>138%</td>
<td>$15,856 - $26,951</td>
<td>2.00%</td>
<td>$26.43 - $44.92</td>
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<tr>
<td>150%</td>
<td>$17,235 - $29,295</td>
<td>4.00%</td>
<td>$57.45 - $97.65</td>
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<tr>
<td>200%</td>
<td>$22,980 - $39,060</td>
<td>6.30%</td>
<td>$120.65 - $205.07</td>
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<tr>
<td>250%</td>
<td>$28,725 - $48,825</td>
<td>8.05%</td>
<td>$192.70 - $327.53</td>
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<tr>
<td>300%</td>
<td>$34,470 - $58,590</td>
<td>9.50%</td>
<td>$272.89 - $463.84</td>
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<tr>
<td>350%</td>
<td>$40,215 - $68,355</td>
<td>9.50%</td>
<td>$318.37 - $541.14</td>
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<tr>
<td>400%</td>
<td>$45,960 - $78,120</td>
<td>9.50%</td>
<td>$363.85 - $618.45</td>
</tr>
</tbody>
</table>

*Annual income is for a family of one to three.
Maximum Spending Caps in QHPs

• Annual out-of-pocket (OOP) spending maximum caps apply to spending for essential health benefits (EHB):
  o Deductibles
  o Co-insurance
  o Co-payments
  o Any other similar payments

• Individuals and families with incomes between 100-400% FPL are eligible.

• OOP maximum limits are calculated separately from premium costs.
Cost-sharing in QHPs

• Different QHPs will have different cost-sharing structures, so how quickly or frequently the average consumer will reach the cost-sharing maximum each year cannot be predicted.

• Individuals shopping for insurance through Maryland Health Connection will need to review how each plan structures its deductibles, co-insurance, co-payments, or similar charges to select the best plan for their needs.
Helpful Resources

General Information: http://mmcp.dhmh.maryland.gov
• Medical Assistance Hotline: 1.800.456.8900
• PAC Enrollee Action Line: 1.888.754.0095
• PAC Eligibility: 1.800.226.2142 or http://mmcp.dhmh.maryland.gov/mpac

Additional Resources:
- Maryland Health Connection: http://www.marylandhealthconnection.gov/
- Maryland Health Benefit Exchange: http://marylandhbe.com/