



# Maryland Medicaid Program & Health Care Reform

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# Maryland Medicaid Basics

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- 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.
  - Over 806,600 are enrolled in HealthChoice (managed care).
  - 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

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- 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)

Region	HealthChoice: HIV Families & Children	HealthChoice: HIV Disabled	HealthChoice: AIDS	PAC: HIV & AIDS	FFS: HIV & AIDS	All Programs
Anne Arundel	37	20	58	75	166	356
Baltimore City	426	699	1,583	960	2,615	6,283
Baltimore County	109	71	174	154	433	941
Carroll	*	*	*	*	21	42
Harford	*	*	15	15	58	104
Howard	*	*	23	21	66	129
Queen Anne's	*	*	*	*	*	*
Baltimore EMA	601	806	1,860	1,237	3,365	7,869
Maryland	911	939	2,291	1,647	4,430	10,218

\*Cells with less than 15 enrollees are not reportable.

# HIV/AIDS MCO Capitation Rates

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- 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)

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- 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

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- Signed into law on March 23, 2010.S
- Insurance market reforms mainly start in 2014:
  - Guarantee issue--Insurance companies cannot deny coverage due to pre-existing conditions.
  - More difficult for insurance companies to rescind coverage.
  - Commercial insurance premium costs may only vary by community rating based on four factors:
    - Age,
    - Smoking status,
    - Geographic region, and
    - Individual or family coverage.

# Affordable Care Act Overview Cont'd

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- 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

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- 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:
  - 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.)
  - Cost-sharing reductions (CSR) on a sliding scale up to 250% FPL.

# Medicaid Expansion

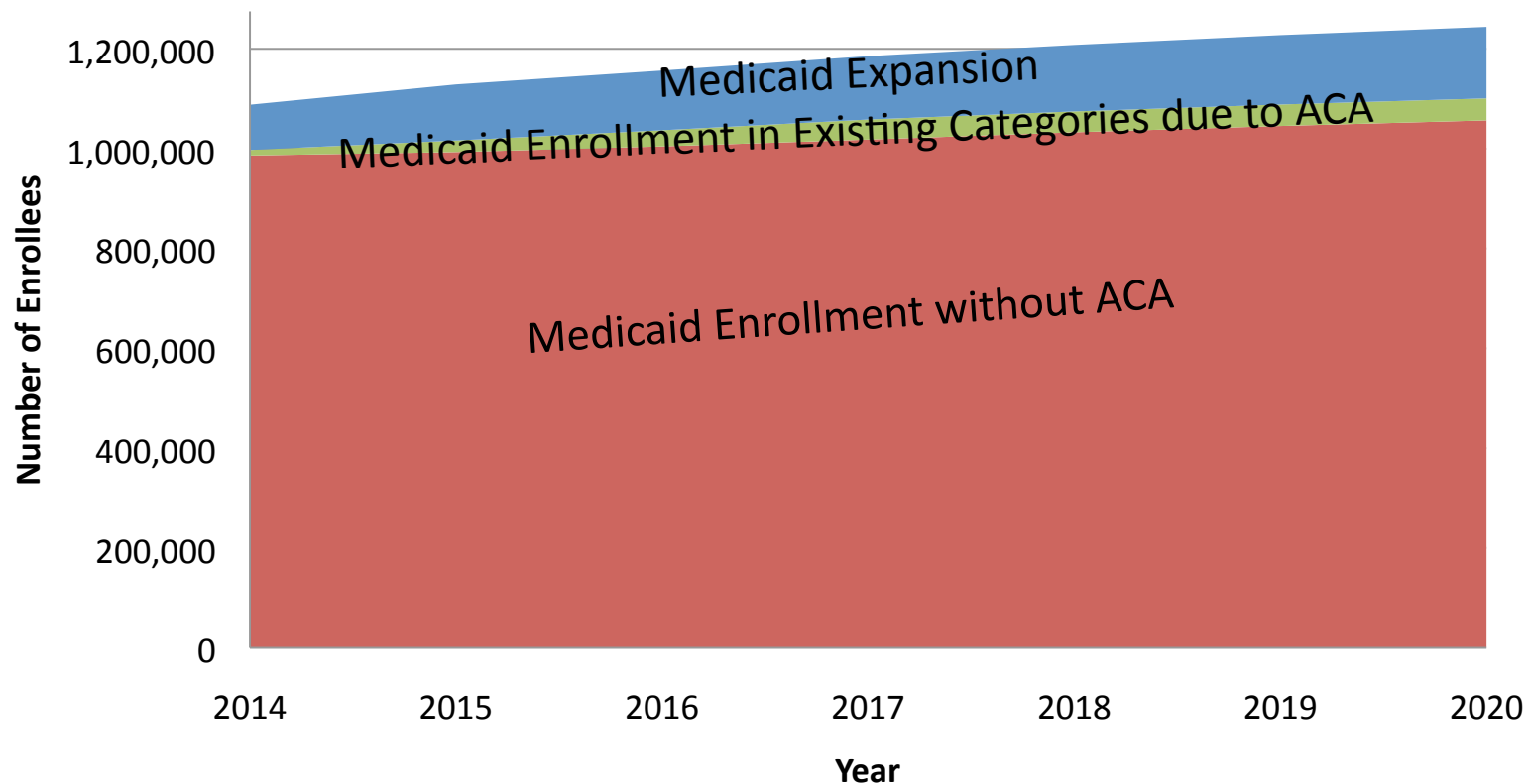
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- In 2014, approximately 88,000 PAC enrollees and 20,000 individuals new to Medicaid will be eligible for full benefits.
- Maryland currently provides childless adults a limited benefits package at a 50/50 match through PAC.
  - In 2014, these enrollees will be **automatically enrolled** into full Medicaid.
  - 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**

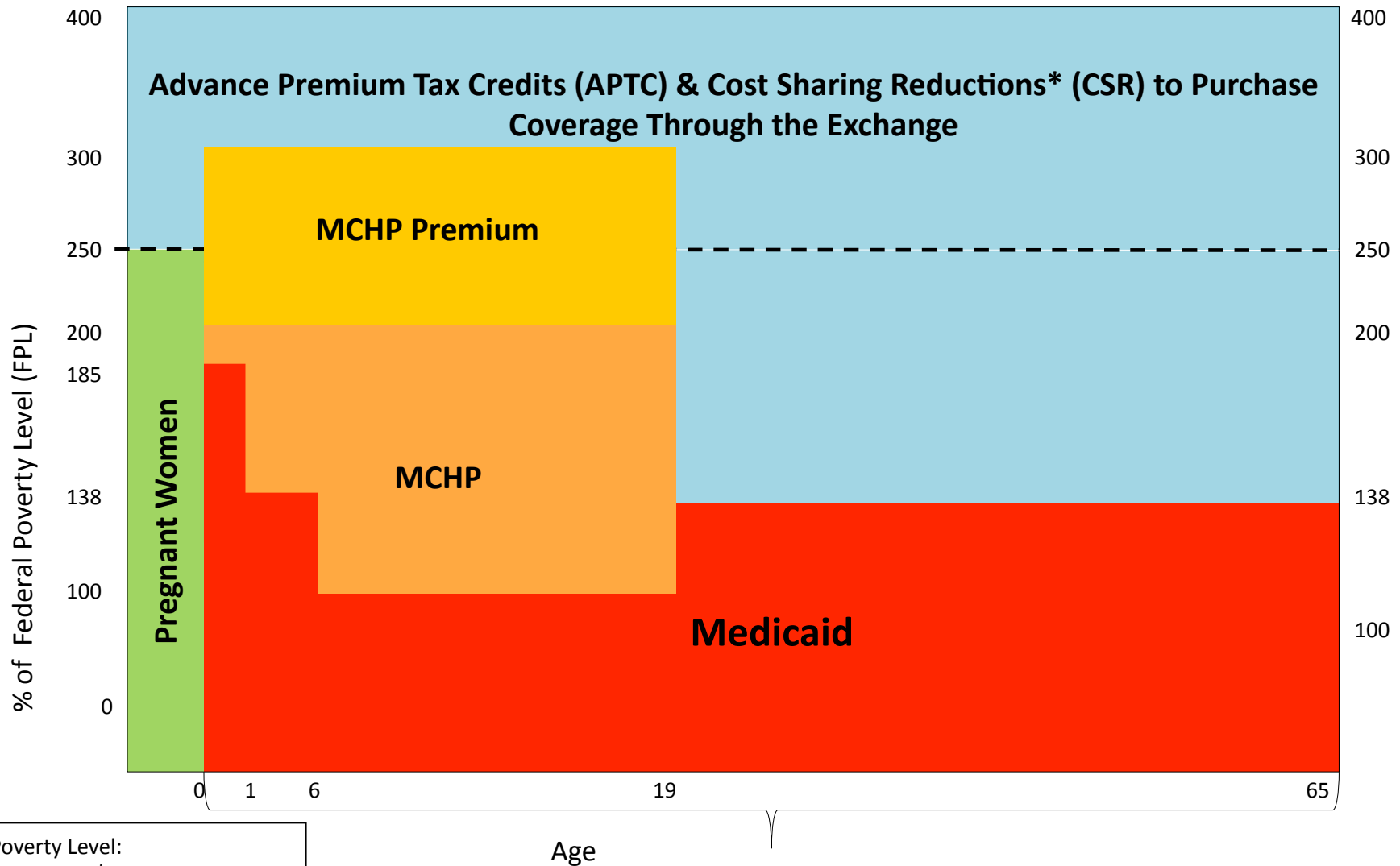


# Medicaid Expansion

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- 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



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

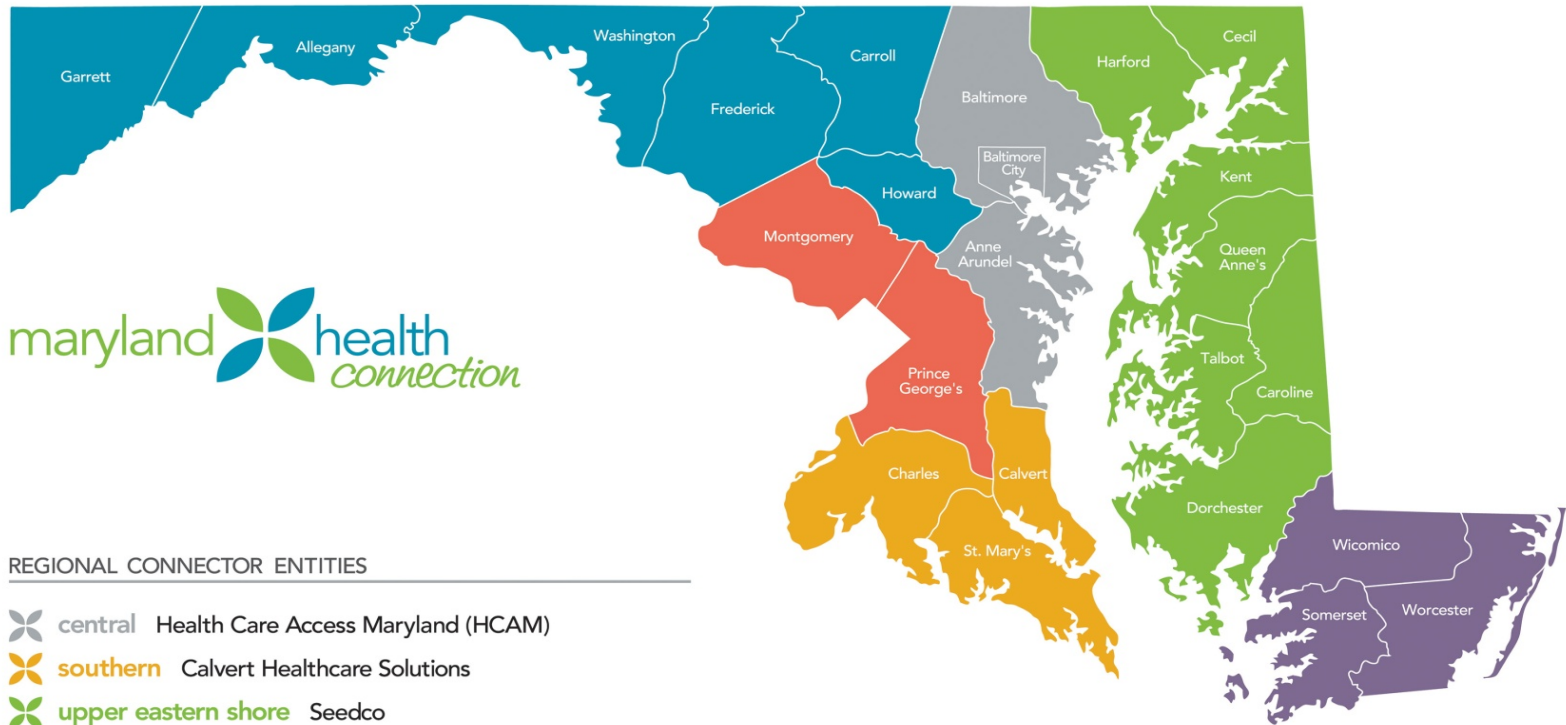
\*Cost-sharing subsidy ends at 250% FPL  
**(Coverage effective 01/01/14)**





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- **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.
    - Medicaid
    - 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.
    - **Open Enrollment begins October 1, 2013.**
    - **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

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- 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:
  - Conduct public education and outreach as required by the Affordable Care Act
  - Distribute fair and impartial information
  - Facilitate enrollment in health plans
  - Provide referrals for grievances, complaints, and questions
  - Provide information in a culturally and linguistically appropriate manner
  - Maintain expertise in eligibility, enrollment, and program specifications
- Navigators and assisters will receive training before they begin serving clients.



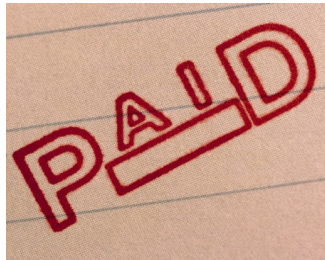
Examples of

# **TAX AND COST-SHARING SUBSIDIES IN QHPS**

# How Cost-sharing and Tax Subsidies Will Work

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

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

\*Income eligibility levels for children and pregnant women are higher

# Individual Premium Subsidies

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

\*Annual income is for a family of one to three.

# Maximum Spending Caps in QHPs

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

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- 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

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General Information: <http://mmcp.dhmfh.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.dhmfh.maryland.gov/mpac>

Additional Resources:

- Maryland Health Connection:  
<http://www.marylandhealthconnection.gov/>
- Maryland Health Benefit Exchange:  
<http://marylandhbe.com/>



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