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Case Study: Maryland Medicaid Expansion

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Brief Overview of

MARYLAND MEDICAID TODAY

Maryland Medicaid in CY 12

- There were an average of 838,000 enrollees with full benefits.
- Approximately 1,038,000 (avg) people were enrolled in all Medicaid programs.
 - Includes individuals with full benefits and individuals with partial benefits, such as Medicare cost-sharing and Primary Adult Care (PAC)
 - 1 in 6 people in Maryland receive Medicaid.
- Cost is projected to be \$7.4 billion Total Funds* (federal and State funds) for FY 2014

*Does not include Mental Health Administration and Developmental Disabilities Administration

Current Service Delivery

- Most people in Medicaid and Maryland Children's Health Program (MCHP) are in *HealthChoice*, Maryland's managed care program.
 - Under *HealthChoice*, enrollees choose 1 of 8 Managed Care Organizations (MCOs) to provide their care.
 - MCOs contract with DHMH to provide Medicaid covered services through their provider networks in return for monthly payments from DHMH. MCOs may offer additional benefits.
 - In CY 2012, there were over 780,000 people (avg) in *HealthChoice*, the majority of whom were children (521,000 - avg)
- All Primary Adult Care (PAC) enrollees choose from 1 of 4 PAC MCOs. PAC is a limited benefit program for childless adults; current enrollment is about 75,000.

Maryland Medicaid Covered Services

- Medicaid and MCHP cover a broad range of health care services, including services mandated by the federal government, as well as optional services that a state may choose to cover.
- MCHP and Medicaid have the same benefit package, which includes:
 - Hospital care (inpatient and outpatient)
 - Nursing home and home health care
 - Physician services
 - Low-cost or free prescriptions drugs
 - Laboratory and x-ray services
 - Outpatient substance abuse treatment
 - Mental health services
 - Early and periodic screening, diagnostic, & treatment (EPSDT) services for children under 21
 - Family planning services
 - FQHC services
 - Nurse midwife and nurse practitioner services
 - Dental care for children and pregnant women
 - Vision care for children
 - Transportation to medical care (provided through Local Health Dept.)
 - Case Management for HIV/AIDS patients through MCOs



Basics of

MEDICAID EXPANSION

Expanding Maryland Medicaid

- Maryland Medicaid is moving forward with the expansion to include all adults under 138% of the Federal Poverty Level (FPL).
- Recipients enrolled in the limited benefit program, Primary Adult Care (PAC), will receive full Medicaid benefits in 2014.
- Maryland will operate a state-based exchange and has received conditional approval from CMS.

Greater Accessibility to Insurance

- Applicants will be able to apply online, by phone, mail, or in-person at existing and new locations.
- Data from the IRS, Social Security Administration, and other state and federal data sources will be available; no paper verification will be necessary when the information is already available.
- In fact, many data fields will pre-populate based on available data.
- Maryland's marketplace is known as the **Maryland Health Connection**.

Simplified Eligibility Determinations

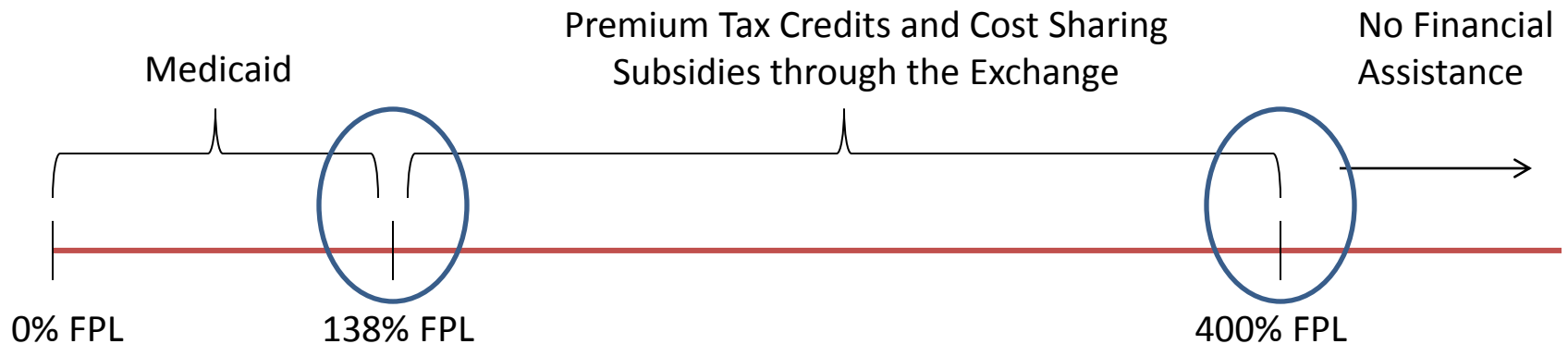
- Beginning in 2014, many eligibility categories will be collapsed.
- Eligibility for most people will be based on Modified Adjusted Gross Income (MAGI).
 - This is a federal standard, linked to tax methods.
 - All states will use the same method.
 - Medicaid (in most eligibility categories) and the Maryland Health Connection will use the same method.
 - This method is not applied to disability and LTSS groups; for those groups, existing rules are used.

Essential Health Benefits

- Health reform will make commercial health insurance products and Medicaid more comprehensive and comparable.
- All health plans are required to cover 10 essential health benefits (EHBs):
 - Ambulatory patient services,
 - Emergency services,
 - Hospitalization,
 - Maternity and newborn care,
 - Mental health and substance use disorder services, including behavioral health treatment,
 - Prescription drugs,
 - Rehabilitative and habilitative services and devices,
 - Laboratory services,
 - Preventive and wellness services and chronic disease management, and
 - Pediatric services, including oral and vision care.

Continuity of Care

MCOs will be expected to work with the Maryland Health Connection and private issuers to ensure continuity of care as individuals move between Medicaid, the Connection, and private insurance.

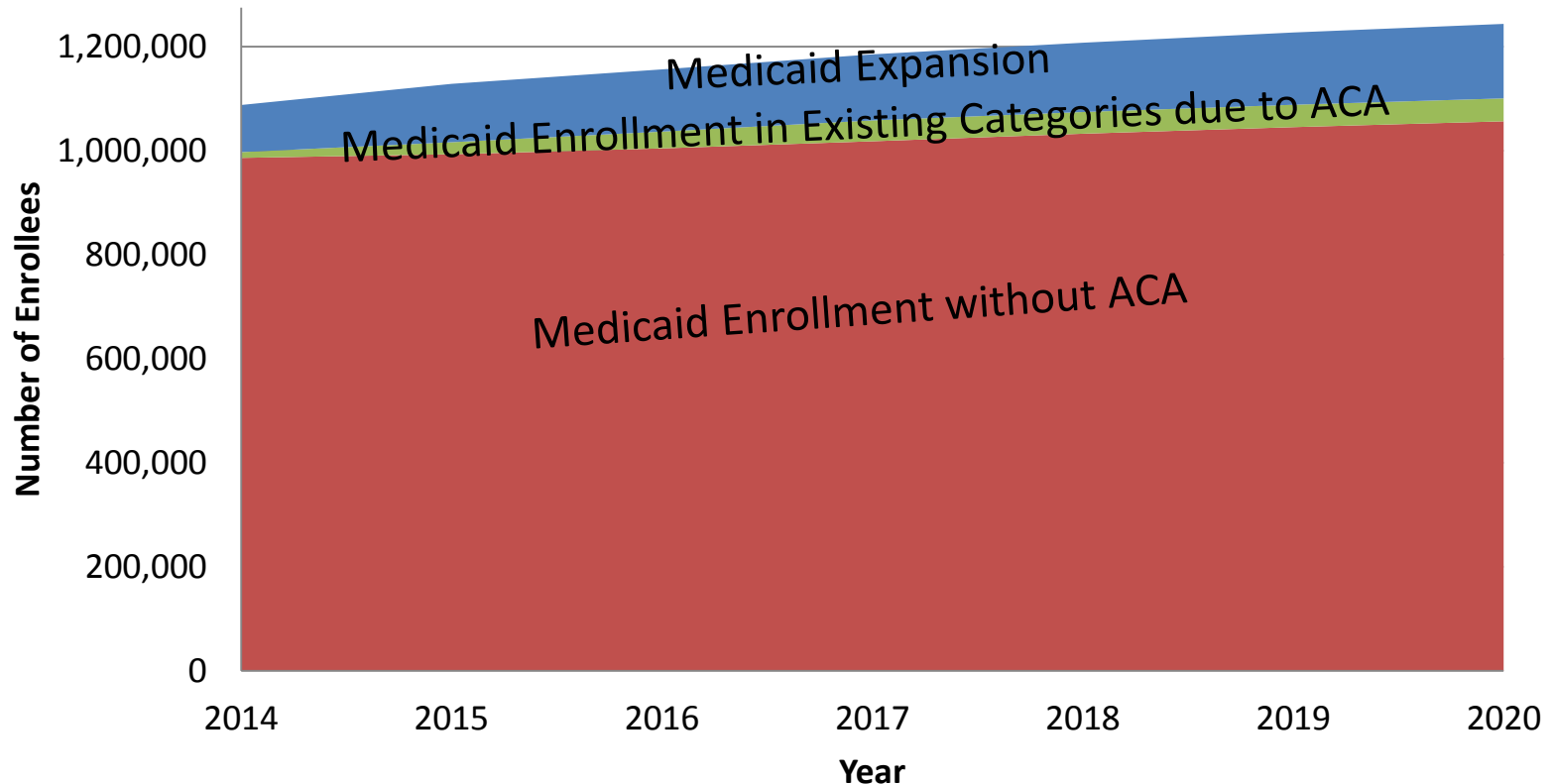


This depicts adults. Children are in Medicaid or MCHP to 300% FPL.

New Enrollment

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

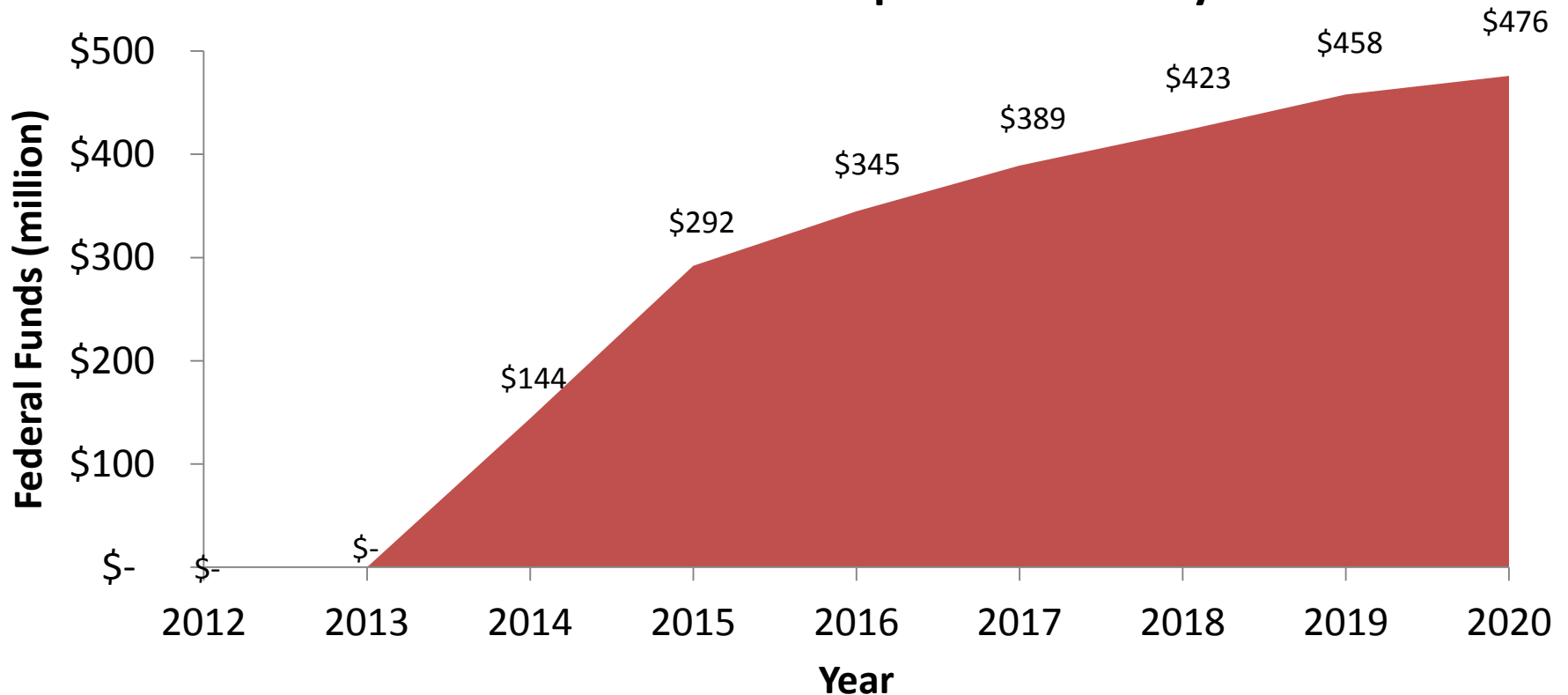
Medicaid Enrollment with and without ACA



Increased Federal Funds for Maryland

- The Medicaid expansion is expected to bring about \$2.5 billion in federal funds into Medicaid between 2014-2020.

Federal Funds for Medicaid Expansion in Maryland

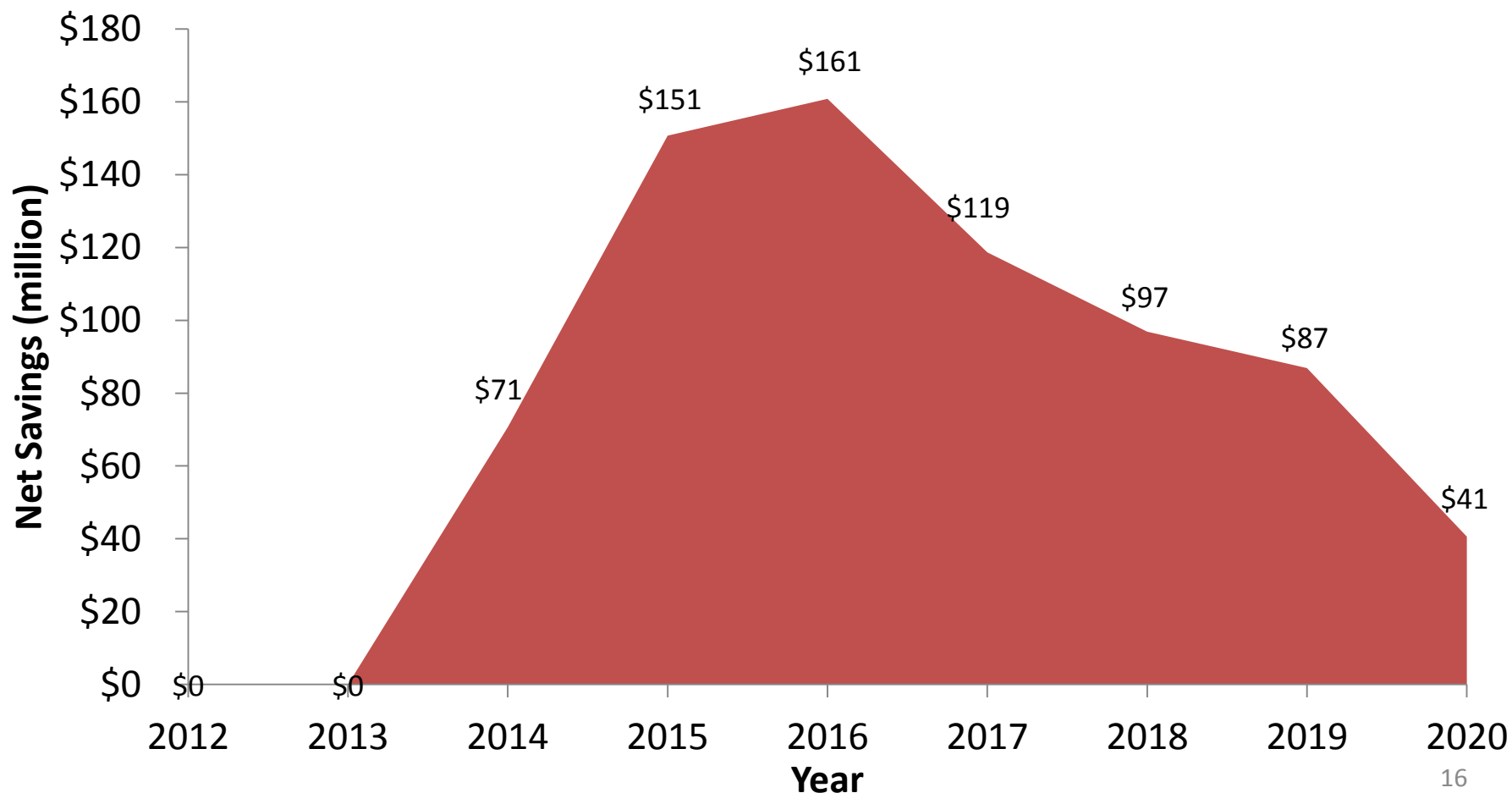


Savings for Maryland

- Maryland will receive an enhanced federal match for newly eligible adults.
 - The federal government will finance 100% of the costs of covering the Medicaid expansion population in 2014 through 2016.
 - The funds will then begin to taper down until it reaches a 90/10 match in 2020 (90% federal funds, 10% state funds), where it will remain indefinitely.
 - Converting PAC from a 50/50 match rate to the enhanced expansion match rate will save the Medicaid program a substantial amount of money.
- Annual savings will decline as the state's share of the expansion cost grows.
- The cumulative total will be \$725 million from 2012 to 2020.

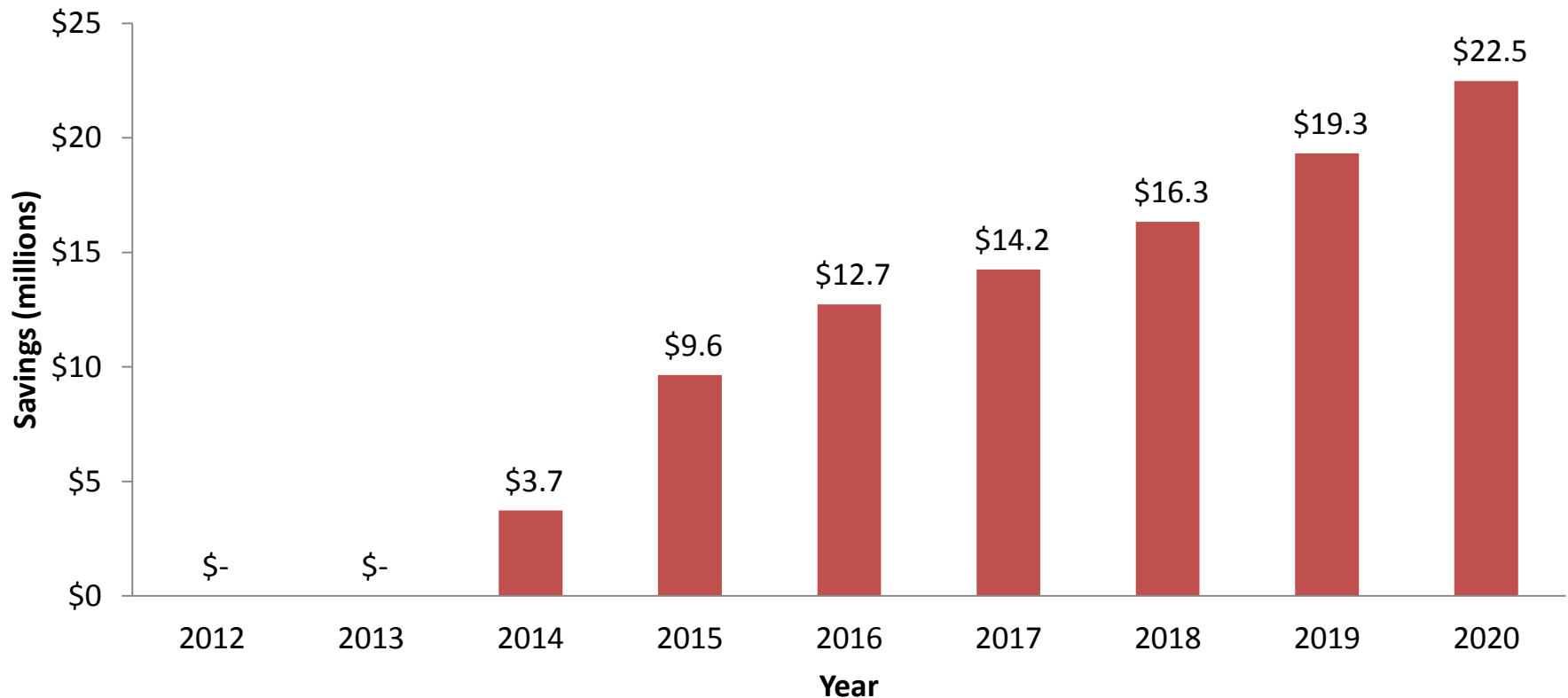
Savings for Maryland

Net State Savings from Converting PAC to the Medicaid Expansion



Reductions in Uncompensated Care

Reductions in Medicaid Hospital Uncompensated Care Costs Due to Medicaid Expansion



Flow of New Funds to Maryland Health Care Providers (millions)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Total Professional Services and Increasing PCP to 100% Medicare Fees	\$0	\$75	\$293	\$397	\$360	\$423	\$480	\$539	\$604	\$3,172
Total Additional Hospital Services	\$0	\$0	\$239	\$541	\$628	\$733	\$839	\$929	\$1,040	\$4,949
Total Pharmacy	\$0	\$0	\$42	\$104	\$124	\$149	\$172	\$197	\$224	\$1,012
Other Health Services	\$0	\$0	\$47	\$123	\$158	\$200	\$244	\$293	\$350	\$1,416
Total	\$0	\$75	\$621	\$1,165	\$1,270	\$1,504	\$1,736	\$1,958	\$2,219	\$10,549

References

Analysis used in this presentation was drawn primarily from two documents generated by the Hilltop Institute, University of Maryland, Baltimore County: the “[Maryland Health Care Reform Simulation Model: Detailed Analysis and Methodology](#)” and the “[Maryland Simulation Model Projections](#).”



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