



# Maryland Medicaid Program: An Overview

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# Maryland Medicaid

- ◆ 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
- ◆ MA provides three types of critical health protection:
  - Health insurance for low-income families, children, the elderly, and people with disabilities
  - Long-term care for older Americans and individuals with disabilities; and
  - Supplemental coverage for low-income Medicare beneficiaries (e.g. outpatient prescription drugs and payment of Medicare premiums, deductibles, and cost sharing)

# Covered Populations

- ◆ Medicaid provides medical and long-term care coverage to low income Maryland citizens
- ◆ Medicaid covers three main groups
  - Children and pregnant women
  - The elderly
  - Persons with disabilities
- ◆ The Maryland Children's Health Program (MCHP) provides health coverage to children in families with incomes below 200% of poverty (a monthly family premium is required for families between 200% and 300%); pregnant women with incomes up to 250% of poverty are covered under Medicaid

# Services Covered Under Medicaid

- ◆ 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.
- ◆ Mandatory services include:
  - Hospital care (inpatient and outpatient)
  - Nursing home care
  - Physician services
  - Laboratory and x-ray services
  - Immunizations and other early and periodic screening, diagnostic, & treatment (EPSDT) services
  - Family planning services
  - FQHCs and rural health clinic services
  - Nurse midwife and nurse practitioner services

# Services Covered Under Medicaid

- ◆ Optional services include:
  - Prescription drugs
  - Institutional care for individuals with mental retardation
  - Home and community-based care for frail elderly, including case management
  - Personal care and other community-based services for individuals with disabilities
  - vision care for adults
- ◆ Services must be adequate in amount, duration and scope
- ◆ States may impose cost-sharing on some services (eg. drugs). Certain populations must be excluded from cost sharing

# Medicaid Changes and Expansions

## HealthChoice and Maryland Children's Health Insurance Program (MCHP)

- HealthChoice (July 1997)
- MCHP (July 1998)

## MCHP Premium

- Expansion of children through 300% of the FPL (July 2001)

## Long-Term Care Home and Community-Based Waivers

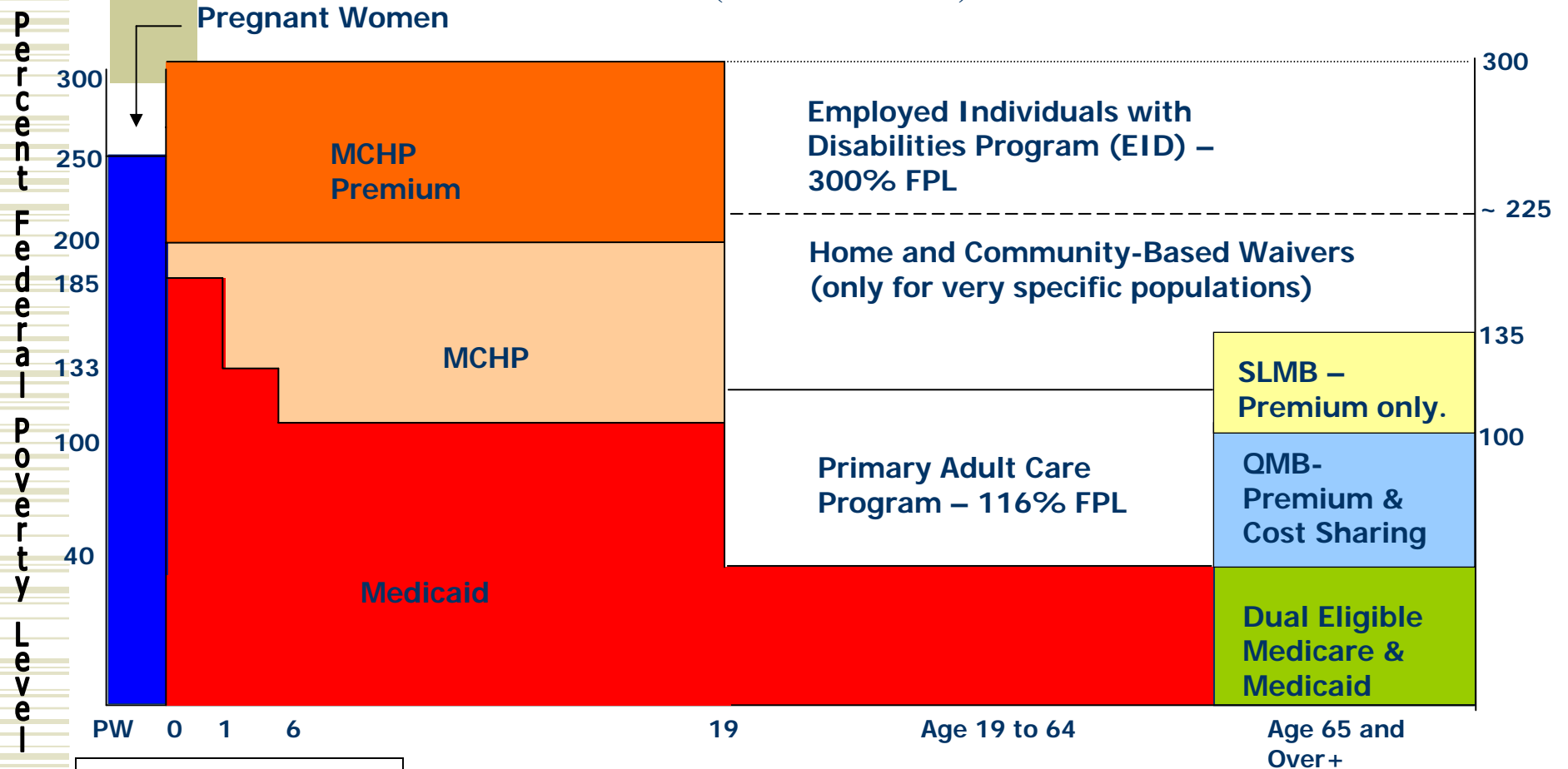
- Medicaid waiver for Older Adults (January 2001)
- Waiver for Adults with Physical Disabilities (April 2001)
- Waiver for Children with Autism Spectrum Disorder (July 2001)
- Waiver for Adults with Traumatic Brain Injury (June 20, 2002)

## Other

- Breast and Cervical Cancer Treatment Program (April 2002)
- Employed Individuals with Disabilities Program (April 2006)
- Primary Adult Care Program (July 2006)

# Medical Assistance Program Coverage

(Effective 07/01/06)



**Poverty Level:**  
 1 person = \$10,210  
 2 persons = \$13,690  
 4 persons = \$20,650

As of 1/24/2007

Note: This chart is for illustrative purposes only. Each coverage group has specific eligibility and some asset requirements, which are not shown.

# Medicaid Enrollment

- ◆ In FY 2006, there were an average of 594,000 enrollees with full benefits
  - Approx. 490,000 in Managed Care Organizations (MCOs)
  - Remaining are in Fee-for-Service (FFS)
- ◆ Cost is ~\$5.2B (\$1.6B in MCO payments)
- ◆ About a third of enrollees are in optional categories
- ◆ Total enrollment is about 700,000



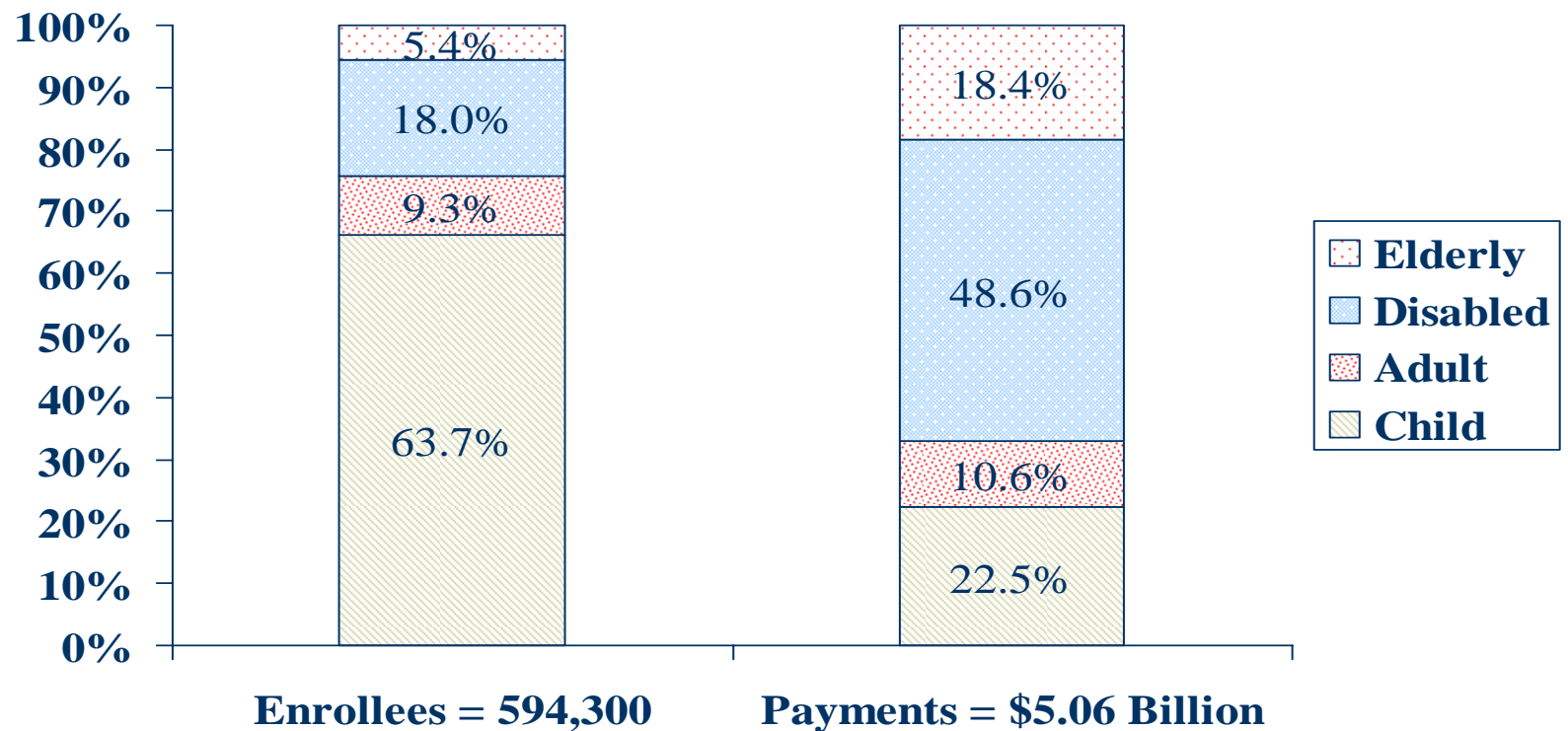
# Medicaid Funding

- ◆ Like other states, Maryland receives federal matching funds (although the amount varies from state to state)
  - 50% federal matching for most Medicaid services
  - 65% federal matching for the Maryland Children's Health Program (MCHP)
  - 75% federal matching for some operational/systems initiatives
  - 90% for Family Planning Program

# Medicaid Growth Rate

- ◆ Over the past several years, the average annual growth rate for Medicaid expenditures has been close to 9% per year (although trends have slowed in the most recent fiscal year)
  - Pharmacy costs are growing at a rate of approximately 12% per year
  - Long term care costs have grown at a rate of approximately 10% over the past several years
- ◆ Medicaid makes up an increasingly large portion of the State budget – approximately 16% (general funds)

# Medicaid Expenses by Enrollment Category



Excludes data for individuals with partial benefits

# Service Delivery

- ◆ Under *HealthChoice* managed care, seven MCOs contract with DHMH to provide Medicaid covered services through their provider networks in return for monthly payments from DHMH. Some Medicaid services are not covered by the MCOs, and may be received through Medicaid fee-for-service (such as therapies for children).
- ◆ If the person does not qualify for *HealthChoice* (e.g., because they are also Medicare eligible or in a long-term care facility), they will still receive Medicaid services, but through “fee-for-service” (FFS).
- ◆ Specialty mental health services are provided by the State’s public mental health system and are accessed through MAPS-MD.
- ◆ All Medicaid eligibles with full coverage receive the same services, whether or not enrolled in an MCO.

# Individuals Covered Under HealthChoice Versus Fee-for-Service

Individuals in HealthChoice  
(80% of HealthChoice enrollees are children)

Disabled

SOBRA women

SOBRA Children

Temporary Cash Assistance  
(TCA)

Maryland's Children Health  
Insurance Program (MCHP)

Families and Children

Individuals In Fee-For-Service  
Program

Dually-eligible

(Medicaid/Medicare)

Institutionalized

Certain home and community-  
based waivers

Family planning program  
waiver

New Medicaid eligibles

Rare and expensive case  
management (REM)

# HealthChoice

- ◆ HealthChoice is the Maryland Medicaid Managed Care Program that has been operating since June 1997.
- ◆ The HealthChoice guiding principles are:
  - Build on strengths of current system
  - Provide comprehensive, prevention oriented system
  - Hold MCOs accountable for high quality care
  - Achieve better value and predictability for State dollars
  - Patient focused system with a medical home

# HealthChoice Capitation

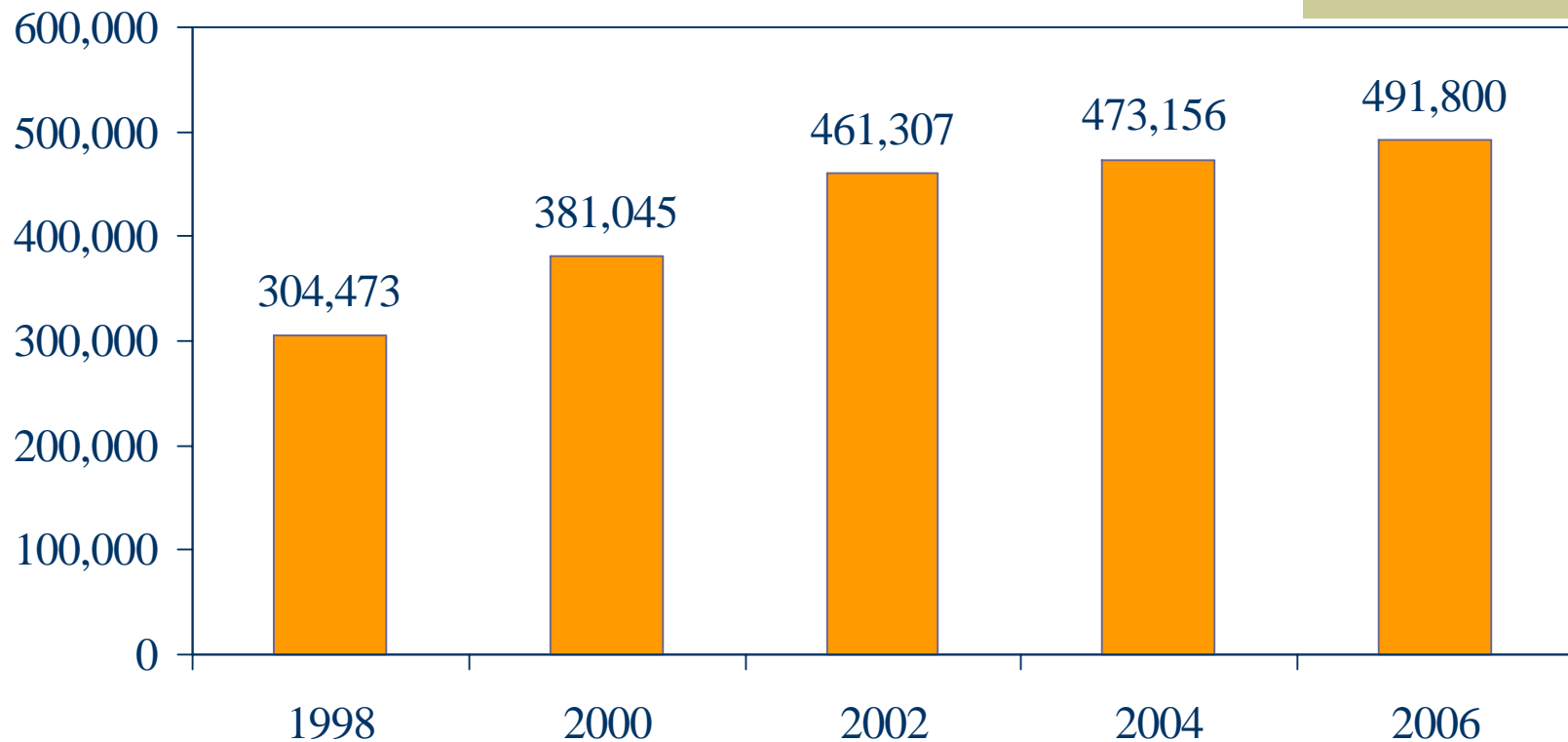
- ◆ Since the start of HealthChoice, Maryland has used a risk-adjusted methodology to set capitation rates
- ◆ Each year there are improvements to the methodology
- ◆ Currently, capitation rates are based on:
  - Enrollee categories
    - Family and Children, Disabled, SOBRA, HIV, and AIDS
  - Regional variations
    - Baltimore City and Rest of State
  - Age and sex (for non-risk-adjusted enrollees)
  - Risk-adjusted segmentation of enrollees based on 18 categories of health status
  - Kick-payments are made for child birth, including increased payments for very low-birth weight babies
- ◆ Adjustments to payments are made for statewideness and quality

# HealthChoice Carve-Outs

- ◆ 33% of services for HealthChoice are carved-out and available on a fee-for-service basis, mostly for specialty mental health and health-related special education services
  - Nursing home and any long-term facility more than 30 days
  - ICF-MR
  - Personal Care and Medical Day Care
  - Public Mental Health System
  - AIDS Viral Load Testing
  - Individualized Family Service Plan (IFSP)
  - Individualized Education Plan (IEP)
  - Transportation
  - Healthy Start Case Management Services
  - Waiver Services Under the DD Waiver



# HealthChoice Enrollment



**HealthChoice enrollment increases are primarily due to increases in the number of Maryland Children's Health Program enrollees and expansion to the pregnant women**

# Self-referred Services

- ◆ Acute and urgent services provided by school-based health centers;
- ◆ Family planning services;
- ◆ Initial medical examination for a child in state supervised care;
- ◆ One annual diagnostic evaluation service visit for enrollee diagnosed with HIV/AIDS;
- ◆ Renal Dialysis Services; and
- ◆ OB/GYN care provided to a pregnant women already receiving prenatal care.



# HealthChoice Quality Assurance Oversight



- ◆ Monitoring specific quality, access, data and performance standards for special needs populations
- ◆ External quality medical record audits
- ◆ Encounter data, HEDIS utilization and outcome reports
- ◆ Provider Hotline
- ◆ Ombudsman and Recipient Action Line

# Medicaid New Programs

- ◆ Employed Individuals with Disabilities (EID) Program – April 2006
  - Allows individuals with disabilities to increase income by returning to work
  - Requires a premium of \$75 for 6 months
  - Eligible individuals must have had a Social Security disability determination; be between ages 19 and 64; have income below 300% FPL; and have assets below \$10,000
- ◆ Primary Adult Care (PAC) Program – July 2006
  - Gives primary care in office setting, pharmacy and outpatient mental health benefits to individuals over age 19
  - Eligible individuals must have incomes below 116% FPL and assets below \$4000

# Program Changes

- ◆ Deficit Reduction Act of 2005 (DRA)
  - Allows for additional cost sharing through premiums and co-pays
  - Allows states to offer different benefit packages
  - Gives states the authority to make enrollees accountable
  - Changes eligibility rules for long-term care
  - Individuals must prove citizenship and identity to be eligible



# Additional Information



<http://www.dhmf.state.md.us/mma>

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