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Research Objective

Changes in household composition, income, employment, age, and functional status affect eligibility for insurance affordability programs. To address this issue, the Maryland Health Benefit Exchange Act of 2012 required the Maryland Health Benefit Exchange (MHBE) to study and report findings and recommendations on “the establishment of requirements for continuity of care in the State’s health insurance markets.” The purpose of this study was to fulfill this legislative charge and evaluate options for continuity of care provisions to assist beneficiaries who transition between Medicaid and Exchange eligibility.

Study Design

Data Source: Maryland Medicaid eligibility, claims, and encounter data

This study analyzed fiscal year (FY) 2011 data to:

1. Identify individuals who experienced a transition in Medicaid/Children’s Health Insurance Program (CHIP) eligibility
2. Identify the health and service needs of the populations transitioning in and out of the program
3. Estimate a percentage adjustment to health plan premiums to account for the movement of people with specified health care needs into and out of health plans

Study Population

Individuals who:

1. Were continuously enrolled in Medicaid/CHIP
2. Newly enrolled in Medicaid/CHIP
3. Lost Medicaid/CHIP eligibility
4. Gained and then lost Medicaid/CHIP eligibility

Groups 2 through 4 were considered to be the transition population

Principle Findings

Medicaid/CHIP FY 2011 Churn Rate

	Continuously Enrolled	Gained Eligibility	Lost Eligibility	Gained/ Lost Eligibility
All Medicaid	69.0%	18.0%	11.6%	1.4%
Groups Likely to Transition	67.3%	19.9%	11.8%	1.1%

Distribution of Selected Conditions among Churn Population

	Pregnancy	Prescriptions	HIV/AIDS	Mental Health	Substance Abuse	Dialysis	Chemotherapy	Radiation	Transplant	Hospitalizations	Home Health	DME	None of the Measured Conditions
Population Gaining Eligibility													
All Medicaid	6.7%	43.7%	0.4%	10.9%	4.3%	0.1%	0.4%	0.1%	0.1%	21.6%	1.2%	3.9%	42.4%
Groups Likely to Transition	6.8%	46.3%	0.3%	9.6%	4.0%	0.0%	0.2%	0.0%	0.1%	21.4%	1.0%	3.3%	41.1%
Population Losing Eligibility													
All Medicaid	2.5%	39.3%	0.8%	13.5%	4.3%	0.4%	0.6%	0.3%	0.2%	9.1%	1.4%	4.8%	52.0%
Groups Likely to Transition	1.4%	40.8%	0.4%	10.1%	3.6%	0.0%	0.1%	0.0%	0.0%	2.7%	0.2%	2.0%	55.4%

Cost Analysis

Cost of adding continuity of care protections was estimated by an actuary to be:

- \$0.07 per member per month for commercial carriers
- \$0.05 per member per month for Medicaid MCOs

Policy Implications

The findings and policy options developed from this study informed the MHBE Board’s recommendations report to the Maryland General Assembly. These recommendations were incorporated into the Maryland Health Progress Act of 2013.

Beginning in 2015, “receiving” health plans must:

- **Accept prior authorizations for treatments for covered benefits**
- **Allow access to out-of-network providers for the lesser of the course of treatment or 90 days**

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