

**Maryland HealthChoice Demonstration
Section 1115 Quarterly Report
Demonstration Year 19 (July 1, 2015 – June 30, 2016)
State Fiscal First Quarter (July 1, 2015 – September 30, 2015)**

Introduction

Following approval of the 1115 waiver by the Health Care Financing Administration (now the Centers for Medicare and Medicaid Services, CMS) in October 1996, Maryland implemented the HealthChoice program and moved its fee-for-service and health maintenance organization (HMO) enrollees into a managed care payment system beginning in July 1997. HealthChoice managed care organizations (MCOs) receive a predetermined monthly capitated payment in exchange for providing covered services to enrollees. July 2015 marked the beginning of the nineteenth waiver year providing oversight to the continuing standards of high quality coordination of care and controlling Medicaid costs, by:

- Providing a patient-focused system with a medical home for all beneficiaries;
- Building on the strengths of the established Maryland health care system;
- Providing comprehensive, prevention-oriented systems of care;
- Holding MCOs accountable for high quality care; and
- Achieving better value and predictable expenses.

Subsequent to the initial grant, Maryland requested and received several program extensions, in June 2002, June 2005, August 2008 and June 2011. Maryland submitted its most recent renewal request on June 28, 2013. It sought a continuation of HealthChoice and made allowance for Maryland to include Medicaid expansion adults to be part of HealthChoice. The renewal was approved for another three-year extension, from November 1, 2013 through December 31, 2016. Resulting from the Patient Protection and Affordable Care Act (ACA), the Medicaid expansion saw more than 217,000 additional Marylanders enrolled for health coverage as of the end of Demonstration Year 18. These new enrollments have propelled Maryland to substantial improvement in providing coverage to the uninsured. For additional information, please see www.marylandhealthconnection.gov.

Enrollment Information

Table 1: Average Monthly Enrollees

Demonstration Populations	Previous Quarter (As of last day of the quarter)	Current Enrollees (to date)
Parental/Caretaker Relatives <116% FPL	215,211	199,478
ACA Expansion Adults	217,915	221,155

Demonstration Populations	Previous Quarter (As of last day of the quarter)	Current Enrollees (to date)
Medicaid Children	435,370	412,305
SSI/BD Adults	87,371	87,721
Medically-Needy Adults	27,812	24,048
Medically-Needy Children	5,134	5,151
SOBRA Adults	8,501	9,072
MCHP	107,483	106,442
MCHP Premium	22,958	26,080
Family Planning	14,935	14,347
ICS	20	20
WBCCHP	234	222

Outreach/Innovation Activities

Maryland led and participated in various outreach and innovation activities during the quarter. First, the Department introduced a new Medicaid educational campaign entitled “Maryland Medicaid and You: Measuring Medicaid Impact.” This effort was developed to enhance stakeholder understanding about Maryland Medicaid, from the people served to the programs administered. The initial volume, entitled “Medicaid 101: Introduction to Maryland Medicaid. Volume I,” included an overview of the Medicaid program, including eligibility, budget and benefits. Subsequent volumes will build upon the Medicaid 101 information, delving further into Maryland Medicaid’s services, budget and initiatives. Among other things, topics to be highlighted in future months include Maryland’s managed care program, HealthChoice; long-term services and supports; and behavioral health services. The initial report was distributed on September 30, 2015 to Maryland General Assembly leaders, including the President of the State Senate and the Speaker of the House of Delegates. In addition, it was distributed to the Office of Governor Larry Hogan, through press release and social media, and to other stakeholders.

Additionally, Maryland Medicaid continues to work closely with the Maryland Health Benefits Exchange (MHBE) to ensure timely implementation of information technology (IT) system improvements, manage escalated cases, outreach to individuals scheduled for renewal, prepare for implementation of the 1095-B form and train caseworkers and navigators regarding system changes and Medicaid policy.

Maryland was recently informed by the Center for Medicaid and CHIP Services (CMCS) that it had been identified as “higher performing” on the Medicaid/CHIP Child Core Set quality measures for 2013. CMCS, working with its technical assistance and analytic support contractor, Mathematica, recently contacted Maryland Medicaid to learn more about its efforts related to quality measurement and use of the Child Core Set measures in our Medicaid/CHIP program. Maryland was one of six states who reported at least 10 of the 15 measures, and who had rates in the top quartile for at least half of these. In addition, Maryland was one of three states who had rates in the top quartile for all three measures in the Well Child Care domain.

Operational/Policy Development Issues

Maryland does not have any operational or policy development issues to report for this quarter. The eight MCOs that participate in the HealthChoice Program and their respective market share are as follows: Amerigroup (25.4 percent); Jai Medical Systems (2.2 percent); Kaiser Permanente (2.8 percent); Maryland Physician’s Care (18.8 percent); MedStar Family Choice (6.6 percent); Priority Partners (24.1 percent); Riverside Health of Maryland (2.6 percent); and UnitedHealthcare (17.5 percent).

Legislative Updates

The HealthChoice Program does not have any legislative activity to report for this quarter.

Family Planning Program

The HealthChoice waiver allows the state to provide a limited benefits package of family planning services to eligible women—currently, those women at less than 200 percent of the Federal Poverty Level (FPL). The program covers medical services related to family planning, including office and clinic visits, physical examinations, certain laboratory services, treatments for sexually-transmitted infections, family planning supplies, permanent sterilization and reproductive health counseling, education and referrals. Enrollment as of the end of the first quarter of FY 2016 was 14,450 women, a decrease of 431 over the fourth quarter of FY 2015. Women who receive pregnancy coverage will continue to be automatically-enrolled, if eligible, following the end of their pregnancy-related eligibility. The decrease in enrollment is likely to continue as additional women enroll in Medicaid or Qualified Health Plans, as the Family Planning Program does not constitute Minimum Essential Coverage as defined by the ACA.

Table 2: Family Planning Program Overview

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Quarterly Enrollment	14,450			
Percent Change from Previous Quarter	-2.9%			

Rare and Expensive Case Management (REM) Program

Maryland’s REM Program provides HealthChoice enrollees with certain qualifying conditions the option to disenroll from mandatory managed care and receive services on a fee-for-service basis, with select additional benefits. Table 3 displays the numbers of referrals received, approved and disenrolled as reported by the REM case management agencies and the REM referral line during this quarter.

Table 3: REM Referrals Approved/Received/Denied

FY 2016	Referrals Received	Referrals Approved	Referrals Denied	REM Disenrollments	Currently Enrolled in REM
Quarter 1	213	180	65	158	4,337
Quarter 2					
Quarter 3					
Quarter 4					

PAC

As of January 1, 2014, former PAC recipients were transitioned from a partial benefit package to the full benefit Medicaid package under the ACA expansion.

Increased Community Services (ICS) Status

Maryland continued serving residents aged 18 and over who need assistance with activities of daily living, such as bathing, grooming, dressing and getting around. As of the end of this quarter, there were 20 individuals enrolled in the ICS Program.

MCHP and MCHP Premium Status/Update Projections

Effective June 1, 2008, Maryland moved its separate CHIP program, Maryland Children’s Health Program (MCHP) Premium, into the Medicaid expansion CHIP waiver, so that Maryland’s entire CHIP program is operated as a Medicaid expansion. As of September 30, 2015, the Premium program had 26,080 enrollees, with MCHP at 106,442 enrollees.

Expenditure Containment Initiatives

Preliminary Service Year 2014 HealthChoice Financial Monitoring Reports (HFMR)—reported as of March 31, 2015—and supporting financial templates were provided by the MCOs in the previous quarter. This information was used during the current quarter for trend analysis, validity testing purposes and as the rate base (for childless adults only) during the 2016 rate setting development.

During this quarter, MCOs were requested to prepare 2015 and 2016 financial projections based on all known rate and state budget activities as of August 2015. As of September 30, 2015, all MCO projections had been received. Also in September, MCOs were provided with updated HFMR templates and revised instructions in preparation for the upcoming November submission.

During the next quarter, MCOs will restate their 2014 experience as of September 30, 2015. These final 2014 submissions will most likely serve as the base period for the 2017 HealthChoice rate-setting period. The next MCO submissions will be due by November 23, 2015, with an independent auditing firm performing a review of each MCO's submission. Any additional modifications to the current reporting requirements would be implemented during the month of October.

Financial/Budget Neutrality Development/Issues

Maryland has no issues or problems with the financial accounting, budget neutrality and CMS 64 reporting requirements for the current quarter.

Table 4: Member Month Reporting

Demonstration Populations	April 2015	May 2015	June 2015	FY15 Q4 Total	July 2015	August 2015	Sept. 2015	FY16 Q1 Total
Parents/Caretaker Relatives <116% FPL	223,640	219,476	215,211	658,327	210,559	206,758	199,478	616,795
ACA Expansion Adults	219,810	219,961	217,915	657,686	219,881	220,601	221,155	661,637
Medicaid Children	449,076	442,146	435,370	1,326,592	426,534	421,403	412,305	1,260,242
SSI/BD Adults	86,515	86,786	87,371	260,672	87,643	87,649	87,721	263,013
Medically-Needy Adults	28,612	22,286	27,812	78,710	27,399	26,631	24,048	78,078
Medically-Needy Children	5,048	5,092	5,143	15,283	5,157	5,147	5,151	15,455
SOBRA Adults	8,602	8,515	8,501	25,618	8,705	8,883	9,072	26,660
MCHP	106,712	107,042	107,483	320,697	107,279	108,215	106,442	321,936
MCHP Premium	23,054	23,087	22,958	69,099	23,702	25,316	26,080	75,098
Family Planning	14,914	15,201	14,935	45,050	14,507	14,496	14,347	43,350
ICS	20	19	20	59	20	19	20	59
WBCCHP	242	239	234	715	230	228	222	680

Consumer Issues

The following tables display an account of the complaints, grievances and appeals made to the Department on behalf of HealthChoice Recipients as reported to Recipient Hotline and Complaint Resolution Unit for the quarter.

Table 5: HealthChoice Recipient Complaints			
Appointment Availability	7	MCO Issue	92
Authorization/Referral	307	Member Issue	535
Billing	70	Other Member Issues	58
Network Access	0	Provider Issue	55
Office Access	0	Provider Billing	35
Quality of Care	0		
Total HealthChoice Recipient Complaints Received			1,159

Table 6: Children with Special Needs Complaints	
Cerebral Palsy	1
Attention Deficit Disorder/Hyperactivity	5
Developmental Delay	2
Congenital/Metabolic Disorders	16
Respiratory Conditions	9
Lead Poisoning	0
Other	3
Autism	3
Mental Health	8
Total	47

Table 7: Adults with Special Needs Complaints	
Individuals with a Physical Disability	19
Pregnant Women	184
Homeless	5
Developmental Disability	6
HIV/AIDS	11
Substance Abuse Treatment	10
Mental Health	31
Rare & Expensive Case Management	0
Hearing Impaired	3
Total	269

Table 8: Appeal Rights Issued	
Ten-Day	19
Denial	0
Compromise	0
Directive	0
Total	19

Table 9: Hearing Activity	
Hearings Requested	0
Hearings Held	0
Decision Upheld	0
Decision Overturned	0

Table 10: REM Complaints and Significant Events									
FY16 Q1	Transportation	Dental	DMS/DME	EPSDT	Clinical	Pharmacy	Case Mgt.	REM Intake	Other
REM Case Management Agencies	0	0	0	0	0	0	3	0	0
REM Hotline	0	0	0	0	0	0	0	0	1
Total	0	0	0	0	0	0	3	0	1

The following table displays the types and total of significant events reported by the case management agencies during this quarter. Agencies report this information on a monthly basis.

Table 11: Case Management and Significant Events								
FY 2016 Q1	DMS/ DME	Legal	Media	Other	Protective Services	Appeals	Services	Total
REM Enrollees	5	14	2	66	15	6	5	113

Quality Assurance/Monitoring Activity

The Division of HealthChoice Quality Assurance (DHQA) monitors HealthChoice Managed Care Organizations (MCOs) quality assurance activities in accordance to COMAR 10.09.65. All Quality Assurance activities reports are available online at:

<https://mmcp.dhmd.maryland.gov/healthchoice/pages/HealthChoice-Quality-Assurance-Activities.aspx>

Systems Performance Review (SPR)

The 2016 Systems Performance Review Guidelines were distributed at the September Quality Assurance Liaison Committee (QALC) meeting and posted on Delmarva’s website.

Value Based Purchasing (VBP)

During this quarter, Delmarva provided the validated medical record review data to the Department.

Performance Improvement Projects (PIP)

All MCOs submitted their annual submissions for the Adolescent Well Care and Controlling High Blood Pressure PIPs on September 30, 2015; they are currently under review.

Annual Technical Report (ATR)

The Department posted the final CY 2014 ATR to the HealthChoice Quality Assurance website.

Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Medical Record Reviews

Delmarva provided the Department with the validated medical record review data. The Department is currently reviewing the preliminary reports.

HealthChoice Consumer Report Card

The final Information Reporting Strategy and Analytic Methodology for the CY 2016 HealthChoice Consumer Report Card was posted to Delmarva's MCO resource page.

HEDIS® Performance Review

In mid-July, the Department's National Committee for Quality Assurance (NCQA)-certified HEDIS® vendor, HealthcareData Company, LLC (HDC), received the completed Final Audit Reports from its auditors and sent printed electronic copies of this report to the Department. As a result of the HEDIS 2016 specification changes released on July 1, 2015, HDC reviewed the changes, deletions and measure additions and provided a summary to the Department on July 17, 2015. No value-based purchasing (VBP) measures were significantly impacted by any of the changes. After revisions by HDC, the required measures were distributed to the MCOs in August, along with the HEDIS 2016 reporting requirements. HDC also provided the Department with an analysis of all MCOs and how they performed for each measure in relationship to Maryland Average Reporting Rate and the National HEDIS® Mean.

At the September QALC meeting, HDC provided information on the recently-implemented NCQA Fraud and Misconduct Hotline. HDC also distributed the 2015 HEDIS® Statewide Analysis report to the Department and the individual MCOs. The Technical Specifications for Health Plans Volume Two will be released on October 1, 2015. HDC will provide the Department with a copy when it is released.

HealthChoice Enrollee Satisfaction Survey

The NCQA-certified Adult and Child Health Plan Survey vendor, WBA Research (WBA), provided the final results for the Consumer Assessment of Healthcare Providers and Systems® (CAHPS®) 2015 survey. Per NCQA protocol, WBA administered a mixed-methodology that involved a mail survey with follow-up via telephone. A total of 3,962 adult HealthChoice members and 4,612 child HealthChoice member surveys were completed. There was an overall one percent increase in the response rate for the adult survey and a decrease of three percent for the child survey. Adults gave their highest satisfaction ratings to the category of Specialists and/or Personal Doctor; main issues and areas of concern included "Health Promotion and Education," with the highest ratings in the area of "How Well Doctors Communicate." For child members, survey results show that parents and guardians continued to give high satisfaction

ratings for Personal Doctor, Health Care Overall, Health Plan Overall and Specialist. For composite measures, the highest ratings for child members were for “How Well Doctors Communicate.” These were all consistent with 2014 results. As seen with adult members, the “Health Promotion and Education” category was given the lowest rating by child members. The Department anticipates all final survey reports to be printed and distributed to all HealthChoice organizations by WBA in October.

Provider Satisfaction Survey

During this quarter, WBA provided the final results for the 2015 Provider Survey. A total of 1,395 completed surveys were collected via a mixed methodology survey, consisting of a mailed survey with telephone follow-up, as well as a web survey option. The web survey option, while a convenient option for providers that choose to participate, did not increase the overall response rate, which showed a decrease of two percent when compared to the previous year. The survey results show that more than three-quarters of primary care providers (PCPs) surveyed in 2015 are satisfied with their specified HealthChoice MCO. The survey results also show that at least eight out of ten PCPs would recommend their specified HealthChoice MCO to their patients and to other physicians. WBA expects to deliver final reports to the Department and individual MCOs in October.

Demonstration Evaluation

The most recent annual evaluation of the HealthChoice program covered the period from CY 2009 - CY 2013 and can be found at the following web address:

https://mmcp.dhmdh.maryland.gov/docs/Final%20HealthChoice%20Evaluation%20CY%202009%20-CY%202013_10%2015%202015.pdf

Enclosures/Attachments

There are no additional enclosures or attachments to accompany this report.

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