



The Honorable Edward J. Kasemeyer
Chair
Senate Budget and Taxation Committee
3 West Miller Senate Building
Annapolis, MD 21401-1991

The Honorable Norman H. Conway
Chair
House Appropriations Committee
121 House Office Building
Annapolis, MD 21401-1991

Re: 2013 Joint Chairmen's Report, Page 22, Budget Code D79
Plans for Transitioning Members from MHIP to MHBE

Dear Chair Kasemeyer and Chair Conway,

Pursuant to page 22 of the Joint Chairmen's Report of 2013, the Maryland Health Benefit Exchange (MHBE) and the Maryland Health Insurance Plan (MHIP) respectfully submit this report on the plan for Transitioning Members from MHIP to Maryland Health Connection. Specifically, the Joint Chairmen's Report requested that the Budget Committees be provided with a report outlining how members will transition from MHIP into Maryland Health Connection, including how MHIP enrollees will be made aware of the change, assistance that will be available for them, and if any funding will be required. If you have any questions regarding this report, please contact Michele Eberle, MHIP Executive Director, at (410) 576-2056.

Sincerely,

A handwritten signature in black ink, appearing to read "Rebecca Pearce".

Rebecca Pearce, Executive Director
Maryland Health Benefit Exchange

A handwritten signature in black ink, appearing to read "Michele Eberle".

Michele Eberle, Executive Director
Maryland Health Insurance Plan

Enclosure

Cc: Carolyn Quattrocki, Governor's Office of Health Care Reform
Cheri Gerard, Office of Budget Analysis
Frank Kolb, Maryland Health Benefit Exchange
Marie Grant, Office of Governmental Affairs

Executive Summary

Effective January 1, 2014, the Patient Protection and Affordable Care Act of (ACA) prohibits individuals from being denied health coverage due to a pre-existing condition. The ACA also affords premium tax credits and cost-sharing reductions to qualified individuals to lower the impact of health care costs. In 2010, the ACA established a Pre-existing Condition Insurance Plan (PCIP) as a temporary measure with a sunset date of December 31, 2013 to address those individuals who had pre-existing conditions and could not get coverage before the ACA set in.

The Maryland Health Insurance Plan (MHIP) is the state's high-risk pool whose purpose is to decrease uncompensated care costs by providing access to affordable comprehensive health benefits for medically uninsurable residents of Maryland. MHIP was created by the Health Insurance Safety Net Act of 2002 as an independent unit of the Maryland Insurance Administration, and became operational on July 1, 2003. Pursuant to Chapter 259, Acts of 2008, MHIP became an independent unit of State government on October 1, 2008.

MHIP administers the PCIP for the State of Maryland. This includes MHIP Federal and MHIP Federal Plus (subsidized) plans. These plans terminate on December 31, 2013. In addition, the MHIP Board of Directors mandated that all MHIP State Plus (subsidized) plans end on December 31, 2013, as advanced premium tax credits (APTC) and cost-sharing reduction (CSR) available through the Maryland Health Benefit Exchange (MHBE) will likely provide more favorable subsidies.

The Maryland Health Progress Act of 2013 (HB228) requires closure of enrollment in MHIP, including reenrollment of former enrollees, as of December 31, 2013. HB228 does permit existing plan members to remain in the MHIP Plan beyond January 1, 2014 with a set closure date of January 1, 2020.

Based on the rules of ACA and HB228, this document sets forth the transition plan for members out of MHIP in two phases. Phase I addresses those members whose coverage ends on December 31, 2013. Phase II address members who may remain enrolled beyond December 31, 2013. MHIP does not require additional funding to support this transition plan.

Objective

MHIP has been a vital and important source of health care for many Marylanders. It is the objective of MHIP and MHBE to ensure that all MHIP members successfully transition to new health plans through Maryland Health Connection or the open marketplace to ensure continued health care coverage.

Through comprehensive communication and outreach efforts, MHIP will ensure that all members are directed to the appropriate resource for assistance with applications to new health plans so that no lapse of health insurance coverage occurs. MHBE through the Maryland Health Connection (MHC) consumer support center will play a vital role in communication efforts.

Phase I – MHIP members with plans terminating December 31, 2013
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Membership

Membership in plans terminating December 31, 2013

MHIP Federal:	1,241
MHIP Federal Plus:	377
MHIP State Plus:	<u>7,132</u>
TOTAL:	8,750

Strategy

1. Inform members of ACA provisions taking effect January 1, 2014 in April 2013 open enrollment materials and advise of option to consider health insurance plans offered through Maryland Health Connection beginning October 1, 2013.
2. Create and maintain a list of frequently asked questions (FAQs) updated on the MHIP website beginning on June 1, 2013.
3. Mail letters at strategic intervals (see below) reminding members that their plan will be ending and directing them to a resource that can provide assistance.
 - a. Letter will be individualized based on the plan a member is enrolled in.
 - b. Letter can be individualized based on the county a member resides in.
 - c. Letters to be mailed on September 15th, October 15th, and November 15th.
 - d. Letter will contain the MHC consumer support center phone number.
 - e. Letters will be printed in English and Spanish.
4. Complete outbound calls to all MHIP Federal, MHIP Federal Plus and MHIP State Plus members with a generic reminder that their plan is ending and to route them to a source for new enrollment at strategic intervals. (October 30th, November 30th)
5. In accordance with the Data Agreement between MHIP and MHBE, transfer the minimum enrollment data necessary confirming enrollment of MHIP Federal, MHIP Federal Plus and MHIP State Plus members in Maryland Health Connection to ensure letters and outbound calls are not completed if no longer needed.
6. In December 2013, make personal phone calls to members who have not enrolled in health plans offered through the Maryland Health Connection as a final reminder to obtain insurance through the Exchange or open marketplace.
7. MHIP staff can be trained as MHIP Certified Application Counselors and be able to assist MHIP members with eligibility determinations and enrollment efforts.

Special Populations

There are several populations within MHIP that require special attention. These include:

Maryland AIDS Drug Assistance Program (MADAP) – MADAP is a statewide program and is funded primarily through the Ryan White Care Act. Through this program, MADAP pays the premium for subscriber premiums directly to CareFirst. MHIP and MADAP will work together through a Letter of Agreement to share limited enrollment data so that MADAP can properly assist their members with the necessary transitions

Breast and Cervical Cancer (BCC) – this program is operated by the Department of Health and Mental Hygiene (DHMH). Member premiums are paid by DHMH directly to CareFirst. MHIP is working with DHMH staff to coordinate outreach and communication efforts.

Health Coverage Tax Credit (HCTC) – there are MHIP members who avail themselves of the current Federal HCTC. This benefit expires on January 1, 2014. MHIP Standard members who currently receive the HCTC will be notified by mail that the HCTC will be expiring December 31, 2013. They will be advised that they can enroll in a health plan offered through Maryland Health Connection and possibly qualify for a premium assistance tax credit.

Phase II – MHIP members enrolled in MHIP Standard Plans

Membership

Membership in plans with current end date of June 30, 2014

MHIP State: 13,202

Communication Strategy

1. Inform members of ACA provisions taking effect January 1, 2014 in April 2013 open enrollment materials and advise of option to consider health insurance plans offered through Maryland Health Connection beginning October 1, 2013.
2. Create and maintain a list of frequently asked questions (FAQs) updated on the MHIP website beginning on June 1, 2013.
3. Beginning October 1, 2013, and annually thereafter until coverage is no longer provided, mail specified notice to members of the new insurance options available to them as of January 1, 2014.

Plan Continuation Strategy

1. Monitor the impact of MHIP Federal, MHIP Federal Plus and MHIP State Plus membership transfer to the Exchange and open marketplace.
2. Determine the best date to close the MHIP Standard Plan.
3. Make a decision regarding bringing the MHIP Standard Plan in line with a Calendar Year plan, as plans offered through the Exchange will be offered on a calendar year basis.
4. Evaluate continued benefit design and rate structure.
5. Extend current Administrative Services Organization (CareFirst) contract as needed.