

**Maryland HealthChoice Demonstration
Section 1115 Quarterly Report
Demonstration Year 19 (July 1, 2015 – June 30, 2016)
State Fiscal Second Quarter (October 1 – December 31, 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 2002, 2005, 2008, 2011 and most recently, in 2013. The 2013 application 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, 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 September 30, 2015)	Current Enrollees (As of December 31, 2015)
Parents/Caretaker Relatives <116%	199,478	190,253
ACA Expansion Adults	221,155	232,421
Medicaid Children	412,305	407,374

Demonstration Populations	Previous Quarter (As of September 30, 2015)	Current Enrollees (As of December 31, 2015)
SSI/BD Adults	87,721	87,402
Medically-Needy Adults	24,048	23,427
Medically-Needy Children	5,151	5,318
SOBRA Adults	9,072	9,903
MCHP	106,442	104,494
MCHP Premium	26,080	29,298
Family Planning	14,347	13,531
ICS	20	23
WBCCHP	222	208

Outreach/Innovation Activities

During the quarter, the Maryland Department of Health and Mental Hygiene (the Department) published four additional volumes in its “Maryland Medicaid and You: Measuring Medicaid Impact” series to supplement its initial Volume 1, entitled “Medicaid 101: Introduction to Maryland Medicaid.” Volume 2 addressed Long-Term Services and Supports (LTSS) and included a general overview as well as descriptions of LTSS waivers and home and community-based services and enrollment, an LTSS budget overview and a section on LTSS innovation. Volume 3 addressed the HealthChoice program, including a program overview, MCO market share statistics, quality assurance activities, a HealthChoice budget overview and a spotlight section on Value-Based Purchasing. Volume 4 addressed Behavioral Health Services and included an overview, a description of benefits, a budget overview and innovation activities. Finally, Volume 5 presented legislative primers on selected current issues, including network adequacy and ensuring access to care; telehealth; and eligibility and enrollment.

Additionally, Maryland Medicaid continues to work closely with the Maryland Health Benefits Exchange (MHBE). Maryland Medicaid continues preparing for implementation of the 1095-B tax form for the upcoming tax season, and training caseworkers and navigators regarding system changes and Medicaid policy.¹ In addition, Medicaid staff continues to collaborate with MHBE on network adequacy and Essential Community Provider (ECP) policy work. At MHBE’s request, Medicaid prepared provider lists, additional considerations and recommendations that helped inform how MHBE staff developed their draft 2017 Plan Certification standards. These

¹ 1095-B tax forms were mailed to all Maryland recipients on February 16, 2016.

draft standards, which included an expanded definition of Essential Community Providers (ECPs), were presented to the MHBE Board and approved in January 2016.

In the previous quarter, Maryland awarded its latest dental vendor contract to a Scion Dental, Inc. Scion took over active management as the dental vendor for Maryland Medicaid January 1, 2016.

Maryland Medicaid recently launched a pilot provider directory validation survey to test accuracy of the provider information available in MCO online directories. MCOs were previously informed that a “secret shopper” type of survey would be implemented at some point but were not provided with details. Maryland began by taking a directory validation approach as a way to assess the accuracy of the directories before developing a true secret shopper program using a statistically valid sample. Ultimately, should the program be scaled up, Medicaid would work with its External Quality Review Organization to refine and implement a fully-developed secret shopper program statewide. During this quarter, Maryland Medicaid completed the required data analysis and drafted its report: “Assessing Network Adequacy in the HealthChoice Program: A Direct Test Pilot.”

Operational/Policy Development Issues

Maryland does not have any operational or policy development issues to report for this quarter. As of the end of the quarter, there were eight MCOs participating in the HealthChoice program; their respective market shares are as follows: Amerigroup (25.3 percent); Jai Medical Systems (2.2 percent); Kaiser Permanente (3.1 percent); Maryland Physician’s Care (18.9 percent); MedStar Family Choice (6.7 percent); Priority Partners (24.3 percent); Riverside Health of Maryland (2.7 percent); and UnitedHealthcare (16.8 percent).

Legislative Updates

During this quarter, pursuant to Maryland statute, the Department submitted the 2015 Annual Oral Health Legislative Report. The report covers dental care access under Maryland Medicaid, as well as programs under Maryland’s Office of Oral Health, the Oral Health Safety Net Program and the Oral Cancer Initiative. A full copy of the report can be found in Appendix A.

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 second quarter was 13,874 women, a decrease of 576 over the first quarter. 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	13,874		
Percent Change from Previous Quarter	-3.8%	-4.0%		

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	166	122	56	132	4,304
Quarter 3					
Quarter 4					

Primary Adult Care (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 23 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 December 31, 2015, the Premium program had 29,298 enrollees, with MCHP at 104,494 enrollees.

Expenditure Containment Initiatives

Final Service Year 2014 HealthChoice Financial Monitoring Report (HFMR) submissions—reported as of September 30, 2015 and due on November 23, 2015—and supporting financial templates were provided to the Department and Hilltop for review and eventual distribution to MCOs on a consolidated basis. The final 2014 submissions are expected to be the base period for the 2017 HealthChoice rate-setting period. The firm Myers & Stauffer (M&S) will perform an independent review of each MCO’s submission, including an income statement of each MCO’s underwriting results. All initial submissions were received by December 9, 2015.

As part of the HFMR submissions for 2012, 2013 and 2014, MCOs were required to provide their substance use disorder (SUD) experience as a separate report. Effective January 1, 2015, SUD services are no longer covered by the MCOs. During the next quarter, M&S will review all MCO submissions for 2014, and their reported incurred but not reported (IBNR) will be independently evaluated. The next MCO submissions are expected to be due by May 2016 and will reflect preliminary 2015 results.

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. Maryland’s budget neutrality worksheet as of December 31, 2015, can be found in Appendix B.

Table 4: Member Month Reporting

Demonstration Populations	Jul. 2015	Aug. 2015	Sept. 2015	FY16 Q1 Total	Oct. 2016	Nov. 2016	Dec. 2016	FY16 Q2 Total
Parents/Caretaker Relatives <116% FPL	214,622	206,758	199,478	620,858	201,568	193,577	190,253	585,398
ACA Expansion Adults	229,215	220,601	221,155	670,971	220,940	227,245	232,421	680,606
Medicaid Children	434,614	427,299	412,306	1,274,219	431,323	410,046	407,374	1,248,743
SSI/BD Adults	87,643	87,649	87,721	263,013	87,609	87,493	87,402	262,504
Medically-Needy Adults	27,399	26,631	24,147	78,177	23,719	23,437	23,427	70,583

Demonstration Populations	Jul. 2015	Aug. 2015	Sept. 2015	FY16 Q1 Total	Oct. 2016	Nov. 2016	Dec. 2016	FY16 Q2 Total
Medically-Needy Children	5,157	5,147	5,151	15,455	5178	5224	5318	15,720
SOBRA Adults	8,892	8,883	9,072	26,847	9,493	9,722	9,903	29,118
MCHP	107,792	108,215	106,442	322,449	108,263	104,824	104,494	317,581
MCHP Premium	24,267	25,316	26,080	75,663	26,783	28,478	29,298	84,559
Family Planning	14,272	14,496	14,347	43,115	14,094	13,998	13,531	41,623
ICS	20	19	20	59	23	24	23	70
WBCCHP	230	228	222	680	216	212	208	636

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	1	MCO Issues	106
Authorizations/Referrals	251	Member Issues	527
Billing	58	Other Member Issues	76
Network Access	0	Provider Issues	26
Office Access	0	Provider Billing	29
Quality of Care	0		
Total HealthChoice Recipient Complaints Received			1,074

Table 6: Children with Special Needs Complaints	
Cerebral Palsy	1
Attention Deficit Disorder/Hyperactivity	6
Developmental Delay	3
Congenital/Metabolic Disorders	15
Respiratory Conditions	14

Table 6: Children with Special Needs Complaints	
Lead Poisoning	0
Other	2
Autism	2
Mental Health	6
Total	49

Table 7: Adults with Special Needs Complaints	
Individuals with a Physical Disability	12
Pregnant Women	214
Homeless	7
Developmental Disability	1
HIV/AIDS	8
Substance Abuse Treatment	27
Mental Health	39
Rare & Expensive Case Management	0
Hearing-Impaired	2
Total	310

Table 8: Appeal Rights Issued	
Ten-Day	23
Denial	2
Compromise	0
Directive	0
Total	25

Table 9: Hearing Activity	
Hearings Requested	0

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

Table 10: REM Complaints and Significant Events									
FY16 Q2	Transportation	Dental	DMS/DME	EPSDT	Clinical	Pharmacy	Case Mgt.	REM Intake	Other
REM Case Management Agencies	0	0	0	0	0	0	4	0	0
REM Hotline	0	0	1	0	0	0	0	0	0
Total	0	0	1	0	0	0	4	0	0

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 Q2	DMS/DME	Legal	Media	Other	Protective Services	Appeals	Services	Total
REM Enrollees	5	8	1	66	14	1	9	104

Quality Assurance/Monitoring Activity

The Division of HealthChoice Quality Assurance (DHQA) monitors HealthChoice MCO quality assurance activities in accordance with COMAR 10.09.65. All Quality Assurance activities reports are available online at:

<https://mmcp.dhmqh.maryland.gov/healthchoice/SitePages/HealthChoice%20Quality%20Assurance%20Activities.aspx>

Systems Performance Review (SPR)

Delmarva completed and provided the calendar year (CY) 2013-16 deeming crosswalk pertaining to National Committee for Quality Assurance (NCQA) and Maryland SPR standards for the Department. The deeming crosswalk maps similar standards between NCQA and the Maryland SPR to minimize duplication and administrative burden on the plans. Delmarva also

provided technical assistance to the MCOs regarding deeming for CY 2015 SPR. All MCO Outreach Plans were received and reviewed by Delmarva and the Department, and all MCO Pre-Site Visit Surveys were submitted and posted to the Delmarva portal for the CY 2015 on-site review.

Value Based Purchasing (VBP)

The Department sent the final VBP awards letters to each MCO. Delmarva is currently developing the final VBP report for the Department's review and approval.

Performance Improvement Projects (PIP)

All MCOs submitted their annual PIPs for Adolescent Well Care and Controlling High Blood Pressure on September 30, 2015. Delmarva and the Department have reviewed and approved the annual submissions. The PIP evaluation is based on each MCO's Healthcare Effectiveness Data and Information Set (HEDIS) scores. The Department extended the Adolescent Well-Care PIP for a fourth year to encourage the MCOs to sustain improvement of its performance on that measure.

Annual Technical Report (ATR)

Delmarva is developing the CY 2015 ATR for the Department's review and approval for submission to CMS in April 2016 as required.

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

Four MCOs scored below the required compliance level of 75 percent for the Laboratory Tests/At Risk Screenings component and were required to complete a Corrective Action Plan to Delmarva for review and approval. In addition, the Department reviewed and approved the final CY 2014 EPSDT report.

HealthChoice Consumer Report Card

Delmarva posted the final CY 2016 Maryland HealthChoice Consumer Report Card Information Reporting Strategy and Analytic Methodology to the MCOs' resource portal page for review and comments. The final Consumer Report Card is pending release in early spring 2016.

HEDIS Performance Review

For HEDIS 2016, HealthCareData Company, LLC (HDC) will retain the same auditors used in HEDIS 2015 to ensure continuity. HDC has scheduled the 2016 audits for all HealthChoice MCOs. HDC discussed the required reporting measures for HEDIS 2016, audit process updates and changes and the new medical record review validation process at the quarterly Quality Assurance Liaison Committee (QALC) meeting in December. In addition, the University of

Maryland, Baltimore County provided the programming codes and draft Consumer Assessment of Healthcare Providers and Systems (CAHPS) sample frame files to HDC in mid-November for review and approval, which HDC reviewed and approved in early December. In mid-December, HDC held its annual client conference call with the HealthChoice MCOs. Topics covered included new measures for HEDIS 2016 applicable to Medicaid, the new medical record review process and a new patient-level file validation process.

HealthChoice Enrollee Satisfaction Survey

All final CAHPS 2015 reports were distributed to the MCOs and the Department in November. Per the Department's request, WBA Research (WBA) reviewed the data file specifications for CAHPS 2016 for compliance. In November, WBA provided the CAHPS 2016 survey administration timeline to the Department and also shared this timeline with all MCOs at the December QALC meeting. Also at the QALC meeting, WBA discussed changes for the 2016 survey administration, including a revised definition of a "Complete and Valid Survey," a revised sampling methodology by NCQA and confirmed that there would be no restrictions on oversampling rates.

Provider Satisfaction Survey

The final 2015 Primary Care Provider (PCP) reports were distributed to all MCOs and to the Department in November. Pre-survey activities are underway for the 2016 Provider Survey. The Department sent the 2016 PCP data file request letter to each MCO in mid-November, with the final sample frame due to WBA and the Department in late January. The Department continues to offer an online survey option, to encourage increased MCO response.

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.dhmh.maryland.gov/docs/Final%20HealthChoice%20Evaluation%20CY%202009%20-CY%202013_10%2015%202015.pdf

Enclosures/Attachments

Appendix A: Maryland 2015 Annual Oral Health Legislative Report

Appendix B: Maryland Budget Neutrality Report as of December 31, 2015

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