

**MARYLAND HEALTHCHOICE  
SECTION 1115 DEMONSTRATION FACT SHEET**

REVISED October 2013

<b>Name of Section 1115 Demonstration:</b>	HealthChoice
<b>Waiver Number:</b>	11-W-00099/3
<b>Date Original Proposal Submitted:</b>	May 3, 1996
<b>Date Original Proposal Approved:</b>	October 30, 1996
<b>Date Implemented:</b>	July 1, 1997
<b>Date Extension Approved:</b>	June 27, 2011
<b>Date Expires:</b>	December 31, 2013
<b>Date Extension Approved:</b>	October 18, 2013
<b>Date Expires:</b>	December 31, 2016

**SUMMARY**

The HealthChoice demonstration is based on several guiding principles:

- Providing a patient-focused system with a medical home for all beneficiaries;
- Building on the strengths of the current Maryland health care system;
- Providing comprehensive, prevention-orientated systems of care;
- Holding Managed Care Organizations (MCOs) accountable for high quality care; and,
- Achieving better value and predictability for state expenditures.

The HealthChoice section 1115 demonstration enrolls most Medicaid recipients in the state into a mandatory managed care program. Savings from this delivery system are used to provide health coverage to a number of populations that are not otherwise eligible under the Medicaid State plan.

The Maryland Children's Health Insurance Program (MCHP) was implemented on July 1, 1999; it operates as a CHIP Medicaid expansion under which full Medicaid benefits are provided to children up to 300 percent of the federal poverty limit (FPL). In June 2007, the state added all optional targeted low income children to its Medicaid state plan to ensure continued availability of Federal matching funds in periods of exhausted title XXI allotment funds.

In July 2007, the state began providing a limited primary care health benefit package to uninsured adults through the Primary Adult Care (PAC) Program. The PAC program will end in 2013, due to the implementation of the Affordable Care Act. All childless adults and non-custodial parents under the age of 65 with incomes up to 133 percent of the FPL will receive benefits described in the approved Alternate Benefits Plan state plan amendment. Coverage for this population will continue under the HealthChoice demonstration because services will be provided through one of the HealthChoice MCOs.

Other programs offered through the HealthChoice 1115 demonstration are the Rare and Expensive Care Management (REM) program, Family Planning Program and Increased Community Services (ICS) program. The REM program provides individuals with rare and expensive medical conditions special case management services that are not otherwise available

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under the state Medicaid program. The ICS program provides home and community-based services to individuals with incomes above 300 percent of Supplemental Security Income (SSI). The Family Planning program provides family planning related services to women up to age 51 with incomes up to 200 percent of the FPL.

**RECENT AMENDMENTS**

Amendment #3: The ICS program was added to the demonstration. It mirrors the state's Living at Home (LAH) 1915(c) waiver in all aspects except eligibility, and three additional 1915(c) waiver services. The ICS program provides cost-effective home and community-based services (HCBS) to certain adults with physical disabilities as an alternative to institutional care in a nursing facility. The goals of the ICS program are to provide quality services for individuals in the community, ensure the well-being and safety of the participants and to increase opportunities for self-advocacy and self-reliance.

Approved: September 2009

Amendment #2 : Allows the state to continue the practice of providing for a 6 month "crowd out" provision as well as the provision of waiving retroactive coverage for optional targeted low income children enrolled in the Medicaid expansion Maryland Children's Insurance Program (MCHP).

Approved: May 2007

Amendment #1: Three technical corrections were approved:

- Change MCO pharmacy brand name drug copayments from \$2 per prescription to \$3 per prescription to align the demonstration copayments with those existing in the Maryland Medicaid State Plan;
- Correct the enrollment age for the PAC program to qualifying individuals aged 19 and over; and,
- Provide the appropriate authority which allows the state to automatically re-enroll an MCO recipient who has been disenrolled less than 120 days back into his or her prior MCO with no special election period. This correction permits the state to maintain existing program operations.

Additionally, two amendment requests were disapproved:

- Full expenditure authority to permit payment for services furnished to patients residing in institutions for mental diseases (IMDs). Current IMD phase-down is maintained.
- Expansion of the Maryland Pharmacy Discount Program to individuals with incomes up to 200 percent of the FPL, with change in copayment structure to approximately 75 percent beneficiary copayment and 25 percent pharmaceutical rebate. This authority

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would have permitted the state to seek drug rebates when the State has made no net payment under the state plan, as required by section 1927 of the Social Security Act (the Act), in order to trigger manufacturer obligations. This arrangement has been determined to be ineligible for FFP by the United States Court of Appeals for the District of Columbia under rulings regarding similar programs in Vermont and Maine.

Approved: September 2006

**ELIGIBILITY & ENROLLMENT**

HealthChoice:	Individuals who are eligible under the Medicaid state plan in TANF-related, disabled, medically needy or pregnancy-related categories.
Maryland Children's Health Program (MCHP):	Optional targeted low-income children living in families with incomes between the Medicaid state plan maximum and 300 percent of the FPL.
Primary Access to Care:	Uninsured childless adults with gross incomes at or below 133 percent of the FPL.
Family Planning Expansion:	All women less than 51 years of age with household income up to 200 percent of the FPL.

The following Medicaid eligible categories are excluded from the demonstration and receive benefits under the traditional Medicaid program:

- persons age 65 and older;
- dual eligibles;
- individuals eligible due to spend down;
- individuals who have been institutionalized for an extended period of time in nursing homes, ICF/MRs, chronic hospitals, rehabilitation hospitals, psychiatric hospitals; and,
- individuals enrolled in HCBS waiver programs.

**DELIVERY SYSTEM**

All individuals receiving benefits under the demonstration, with the exception of those noted below, are enrolled in an MCO. This includes optional targeted low-income children eligible under the state's CHIP program. Currently eight MCOs participate in the HealthChoice program.

Individuals with specific high-cost diagnoses are enrolled in a special program, the REM program. Individuals receive enhanced case management services but access covered benefits from the traditional fee-for-service system. Specialty mental health services are carved out of the MCO benefit package and are provided through a separate system administered by the Mental

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Hygiene Administration (MHA). Likewise, dental services are carved out of the MCO benefit package and provided directly by the state on a fee-for-service basis, using a dental benefits manager for administrative simplicity.

**BENEFITS**

Enrollees in HealthChoice receive the same comprehensive benefits package available under the Medicaid state plan. With the exception of specialty mental health services and REM services which are excluded from the MCO benefit package, the MCOs are responsible for providing the full array of state plan services under a prepaid, risk contract. In addition, MCOs must permit enrollees to self-refer for the following: family planning services; school-based clinics services; pregnancy related services; the initial medical exam for children under state custody; an annual visit to the Diagnostic and Evaluation Unit for individuals diagnosed with HIV/AIDS; renal dialysis; and OB/GYN care provided to pregnant woman already receiving prenatal care.

Effective January 1, 2014, individuals enrolled in the PAC program will receive full Medicaid state plan benefits. The following limited set of primary and preventative benefits offered in the PAC program expire on December 31, 2013:

- Physician visits (other than specialists);
- Prescription drugs;
- Primary mental health;
- Freestanding clinic and office-based limited specialty mental health;
- Outpatient psychiatric rehabilitation;
- Outpatient substance abuse;
- Laboratory; and,
- Radiology

In addition, PAC enrollees with diabetes receive limited DME services, nutrition education, podiatry, and vision care.

Individuals in the family planning program receive only family planning services. Visits to a doctor, nurse practitioner, nurse midwife, or clinic for birth control will be covered. Services include:

- Advice about birth control methods;
- Physical exams, including pelvic and breast exam;
- Screenings, such as pap smears and sexually transmitted infections when done as part of the family planning visit;
- Birth control pills and devices, such as IUDs; Emergency contraception; and,
- Permanent sterilization (must be age 21 or over).

The ICS population receives HCBS identical to those provided under the state's LAH 1915(c) waiver with three additions – assisted living, behavior consultation services, and senior center

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plus services. These services enable the participant to live at home with appropriate supports rather than in a nursing facility and include:

- Assistive Technology;
- Attendant Care;
- Case Management;
- Dietitian / Nutritionist Services;
- Environmental Accessibility Adaptations/Modifications;
- Environmental Assessments;
- Family and Consumer Training;
- Fiscal Intermediary Services for individuals who self-direct attendant care services;
- Home-Delivered Meals;
- Medical Day Care;
- Nurse Supervision; and,
- Personal Emergency Response System.

The REM program provides all medically necessary services to individuals with specific qualifying conditions. In addition to State plan benefits, REM provides:

- Chiropractic services for over 21;
- Dental coverage for over 21;
- Nutritional counseling for over 21;
- Nutritional supplements;
- Physician participation in development of a treatment plan;
- Occupational therapy for over 21;
- Speech, Hearing and Language services for over 21;
- Shift nursing services for over 21;
- Certified nursing assistant for over 21;
- Home health aide for over 21; and,
- Private duty nursing for dually eligible Medicaid and Medicare services.

**QUALITY AND EVALUATION PLAN**

The state has instituted an extensive quality assurance program that consists of such components as access and quality standards; utilization and outcome measures with an emphasis on special needs populations; encounter data reporting requirements; beneficiary and provider satisfaction surveys; and a grievance and appeals process. The program follows the Health Care Quality Improvement System (HCQIS) guidelines and utilizes Medicaid HEDIS outcome measures. Further, the state monitors MCO compliance with program requirements and publishes a report card on each MCO's performance for beneficiaries to use when selecting plans.

**COST SHARING**

Co-payments and/or premiums are charged to demonstration enrollees, consistent with sections 1916 and 1916A of the Act, as outlined in the chart below.

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<b>Population</b>	<b>Premiums and Co-Payments</b>
HealthChoice Enrollees (except MCHP Premium Children)	Except where prohibited by Federal law: <ul style="list-style-type: none"> <li>• \$3.00 per prescription and refill for brand name drugs; and,</li> <li>• \$1.00 per prescription and refill for generic drugs.</li> </ul>
PAC Program Participants*	<ul style="list-style-type: none"> <li>• \$2.50 per prescription and refill for brand name drugs; and,</li> <li>• \$7.50 per prescription and refill for generic drugs.</li> </ul>
Children through age 18 with incomes between 200 up to and including 250 percent of the FPL eligible under MCHP	Premiums for children through age 18 with incomes between 200 percent up to and including 250 percent of the FPL – is calculated at 2 percent of a family household income of 2 at 200 percent of the FPL per family per month.
Children through age 18 with incomes between 250 percent of the FPL up to and including 300 percent of the FPL eligible under MCHP	Premiums for children through age 18 with incomes between 251 percent up to and including 300 percent – is calculated at 2 percent of a family household income of 2 at 250 percent of the FPL per family per month.

\*Will no longer apply as of January 1, 2014

**STATE FUNDING SOURCE**

The demonstration is funded with title XIX and title XXI funds.

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