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State/Territory Name: Maine

State Plan Amendment (SPA) #: 20-0015

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

August 14, 2020

VIA E-MAIL

Michelle Probert, Director
Office of MaineCare Services
Department of Health and Human Services
109 Capitol Street, 11 State House Station
Augusta, Maine 04333-0011

Dear Ms. Probert:

Enclosed is an approved copy of the Maine State Plan Amendment (SPA) 20-0015, received on May 19, 2020 proposing to change Maine's cost effectiveness test for the MaineCare Private Health Insurance Premium (PHIP) benefit. This SPA is approved as of August 4, 2020, with the effective date of April 1, 2020, as requested by your agency.

If you have questions concerning this letter, please contact Gilson DaSilva, Division of Program Operations (South Branch) at (617) 565-1227 or via e-mail at Gilson.dasilva@cms.hhs.gov.

Sincerely,

/s/

James G. Scott, Director
Division of Program Operations

cc: Kristin Merrill, State Plan Manager, Office of MaineCare Services

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER
20 - 0015

2. STATE
Maine

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
04/01/2020

5. TYPE OF PLAN MATERIAL (*Check One*)

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION
42 CFR 430.10

7. FEDERAL BUDGET IMPACT

a. FFY **2020** \$ N/A

b. FFY **2021** \$ N/A

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.22-C Page 1 and Page 2

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*)
Attachment 4.22-C Page 1

10. SUBJECT OF AMENDMENT

Cost effectiveness methodology update

11. GOVERNOR'S REVIEW (*Check One*)

GOVERNOR'S OFFICE REPORTED NO COMMENT

OTHER, AS SPECIFIED

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL



16. RETURN TO

**Michelle Probert
Director, MaineCare Services
#11 State House Station
109 Capitol Street
Augusta, Maine 04333-0011**

13. TYPED NAME

Michelle Probert

14. TITLE

Director, MaineCare Services

15. DATE SUBMITTED

05/19/2020

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED **05/19/2020**

18. DATE APPROVED **08/04/2020**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL **04/01/2020**

20. SIGNATURE OF REGIONAL OFFICIAL */s/*

21. TYPED NAME **James G. Scott**

22. TITLE **Director, Division of Program Operations**

23. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Maine

Citation

Condition or Requirement

1906 of the Act

State Method on Cost Effectiveness of Employer-Based Group Health Plans

Private Health Insurance Premium (PHIP) Program Participation and assurances:

- Members who are eligible for full MaineCare may participate in the PHIP program and are allowed to see any and all in-network providers.
- Member participation in the PHIP program is voluntary.
- Premiums are paid directly to the member.
 - If a member applies prior to, or on the 15th day of any given month, and is deemed eligible, enrollment is granted back to the 1st day of the month in which the application was received. The member is reimbursed any premium paid out of pocket prior to having been deemed eligible for PHIP. All future premium payments are paid directly to the member prospectively.
 - If an individual applies after the 15th day of any given month, and is deemed eligible, enrollment is granted on the 1st day of the following month. Direct payment is made to the member prospectively for the first and subsequent months of premium payments.
 - ****Throughout the application process members maintain MaineCare coverage, no out of pocket costs are incurred****
- Individuals who are enrolled in PHIP shall receive the cost-sharing wrap, ensuring that any deductible, co-payment, or coinsurance do not exceed the limits permitted under the State Plan.
- Redetermination of cost effectiveness occurs annually;
 - Verification of consistent coverage occurs bi-monthly, or at the discretion of MaineCare, when there is a change in insurance coverage.
- Disenrollment can occur when a member has:
 - Lost coverage of insurance,
 - Lost MaineCare coverage,
 - Deemed no longer cost effective
- MaineCare will provide for payment of premiums for non-eligible family members only if it is necessary in order to enroll a Medicaid eligible family member in the group health plan and it is likely to be cost effective to do so.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Maine

Evaluating PHIP Cost Effectiveness

The State will take the following steps when evaluating the cost effectiveness of the Private Health Insurance Premium Program.

Step #1 PHIP Per Member Per Year program administration costs

- Take the total annual staff salary, benefits and overhead cost and divide by the number of members enrolled

Step #2 MaineCare PMPY cost (secondary payments) for full benefit members who have private health insurance coverage. This cost includes any services that Medicaid pays for that are not covered by the private health insurance as well as the cost of seeing providers who are not in the private health network.

- Use the most recent available Essential Health Benefit Benchmark Plan for the state of Maine published by the Centers for Medicare and Medicaid Services to select services to include.

Step #3 Private health insurance premiums paid Per Member Per Year (PMPY)

- Sum the annual premiums paid, including overpayments, and divide by the number of members.

Step #4 Total the results of steps 1, 2, and 3 to create a total PMPY cost of PHIP participation.

Step #5 Compare the result to PMPY cost for MaineCare members without other health insurance, which represents the amount Medicaid would pay for the members if they were not enrolled in PHIP.

- Determine MaineCare PMPY cost for services that are covered by private health insurance for full benefit members who have no other health insurance, using the same Essential Health Benefit Benchmark Plan as in Step #2.

The program is cost effective if PHIP members' PMPY total cost (step #4) is less than the average MaineCare cost for the same services for members who have no other health insurance (step #5).

For a member whose PMPY total cost is higher than the average MaineCare cost, staff shall review other factors that may help ensure the individual member's enrollment is cost effective. Other factors include the Aid Category under which the member is enrolled in MaineCare, or, to the extent available, the member's MaineCare medical and pharmacy claims history. Members whose PMPY premium is higher than the average may be enrolled in the program if staff determines the member's enrollment is not likely to negatively impact the cost effectiveness of the program overall.

PHIP-enrolled members are afforded the same benefits and protections as any other full benefit MaineCare member. Enrollment or dis-enrollment in PHIP does not affect the member's covered benefits and services.

Cost Sharing: non-participating providers

- MaineCare encourages enrolled members to obtain services from participating providers.
- MaineCare attempts to enroll non-participating providers when services are rendered for enrolled members.