

Coverage for People who are Uninsurable



Maryland Health Insurance Plan

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Mission of Maryland Health Insurance Plan

As a high-risk pool, the purpose of MHIP is to provide health coverage for the medically uninsurable residents of Maryland, in order to reduce uncompensated care

MHIP was established under Maryland law in May 2002, and began covering individuals in July 2003

In 4 years, MHIP has covered over 20,000 uninsurable individuals

MHIP is one of 32 state high risk pools in the US, which in total cover approximately 200,000 uninsurable individuals

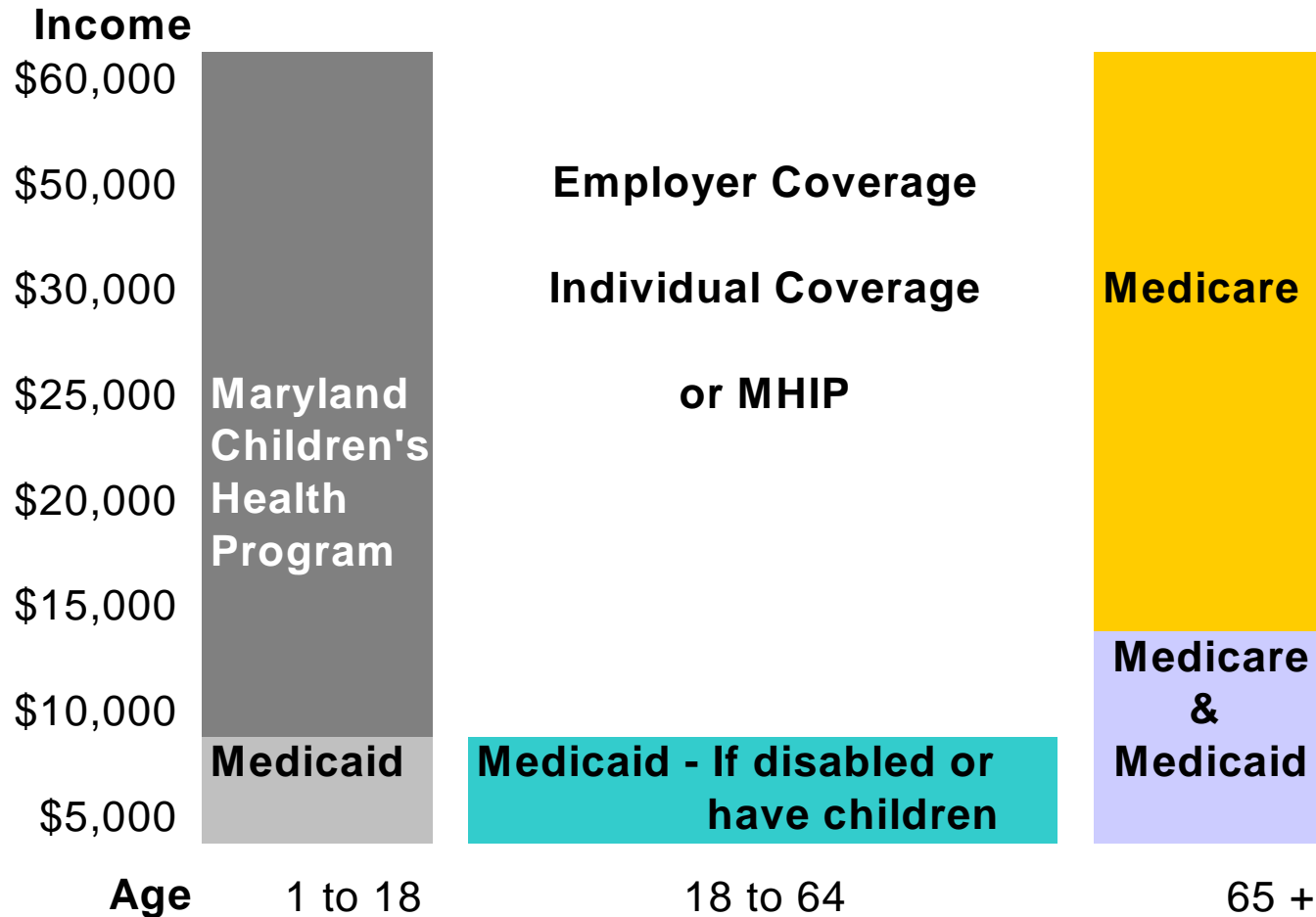
For more information about risk pools consult the National Association of State Comprehensive Health Insurance Plans at <http://www.naschip.org>

For more information, visit

www.marylandhealthinsuranceplan.state.md.us



Health Insurance - Seeking Coverage in the Valley



For more information, visit

www.marylandhealthinsuranceplan.state.md.us

Who is eligible for MHIP ?

MHIP has NO income or asset enrollment limits!!!

Medically Eligible

- have been refused individual health insurance due to a health condition (*18% of individual market applications are denied or ridered in Maryland*)
- have, or have been offered, health insurance that provides limited or restricted coverage, or that excludes coverage for a specific medical condition or conditions
- offered coverage with premium that exceeds MHIP for medical reasons
- have one of 60 qualifying medical conditions



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60 Qualifying Medical Conditions

Addison's	COPD	HIV Positivity	Paraplegia
AIDS	Coronary Artery Disease	Hodgkin's	Parkinson's
Alzheimer's	Coronary Insufficiency	Huntington's	Porphyria
Amyotrophic Lateral Sclerosis	Coronary Occlusion	Hydrocephalus	Pregnancy
Angina Pectoris	Crohn's Disease	Kidney w/ Dialysis	Psychotic Disorders
Ankylosing Spondylitis	Cystic Fibrosis	Leukemia	Quadriplegia
Aplastic Anemia	Dementia	Lupus	Rheumatoid Arthritis
Ascites	Diabetes (Type I & II)	Major Organ Trans.	Scleroderma
Banti's Disease or Synd.	Emphysema	Multiple Myeloma	Sickle Cell Disease
Bipolar Disorder	Esophageal Varicies	Multiple Sclerosis	Stroke
Cancer w/in 5 yrs (ex. skin)	Friederich's Ataxia	Muscular Dystrophy	Syringomyelia
Cardiomyopathy	Guillain Barre Synd.	Myasthenia Gravis	Tay-Sachs Disease
Chemical Dependency	Hemocromatosis	Myotonia	Ulcerative Colitis
Cirrhosis of the Liver	Hemophilia	Non-Hodgkin's Lymphoma	Wilm's Tumor
Congestive Heart Failure	Hepatitis B & C	Palsy	Wilson's Disease

Who is eligible for MHIP (cont.)?

HIPAA Eligible

(MHIP is the only guaranteed-issue plan option for HIPAA eligible individuals)

- have exhausted employer group benefits, and COBRA if available
- have 18 months of creditable coverage with most recent coverage under an employer sponsored plan, governmental plan or a health plan offered in conjunction with any of these plans
- have no more than a 63-day break in coverage, which is measured from the date coverage stopped to the effective date of the MHIP application. The waiting period between the application receipt date and the effective date of coverage is not counted as part of the 63 days.
- Not eligible for Medicare, Medicaid or covered under another health plan



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Who is eligible for MHIP (cont.)?

HCTC Eligible (*Health Coverage Tax Credit*)

- People receiving a Trade Readjustment Allowance or unemployment benefits under the Trade Adjustment Assistance program (*Black & Decker-Easton, Baltimore Marine Industry/BMI or Bethlehem Steel*)
- People age 55-64 receiving pension payments from the Pension Benefit Guaranty Corporation (*Bethlehem Steel or BMI retirees*)

These individuals are eligible for a 65% Federal Tax Credit on the cost of their health coverage

Transfer from another High-Risk Pool



Who enrolls in MHIP ?

Rollovers from prior open enrollment program

17% of enrollment

Medically eligible

52% of enrollment

- have been refused individual health insurance due to a health condition, or offered restricted coverage
 - have one of 60 qualifying medical conditions
- (Note - 10% of medically eligible are Ryan White CARE funded)

HIPAA eligible

26% of enrollment

- exhausted group coverage, and
- 18 months of creditable prior coverage, and
- 63 day lapse between prior coverage & MHIP

HCTC eligible

4% of enrollment

- Lost group coverage due to international trade, or
- Pension assumed by Pension Benefit Guarantee Corp. (Bethlehem Steel)

Transfer from other state risk pool

Less than 1% of enrollment



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Who is Not Eligible?

Applicants may not be covered under Medicare, Medicaid, Maryland Children's Health Program (SCHIP), Federal Health Benefits Program, or comparable Employer Sponsored Group Health Plan – including COBRA

If an applicant is in the initial waiting period for group coverage with a new employer and meets any of any of the other eligibility criteria, he/she is eligible for MHIP coverage until waiting period ends,



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MHIP applicants with existing individual or group coverage

- Those who have an existing individual policy may enroll in MHIP IF they are either medically eligible or HCTC eligible. Such applicants may seek enrollment in MHIP because the premium is more affordable, or benefits are richer.
- Those who have an existing group policy with substandard benefits (such as i.e. ERISA plan with \$25,000 inpatient limit) may enroll in MHIP IF they are Medically eligible.
- Applicants with an existing individual or group policy must drop such coverage once they enroll in MHIP. Members who are found to have other coverage are terminated from MHIP.



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How is MHIP funded?

- Policyholders pay premiums that on average are no more than 130% of what is currently charged in the individual market
- MHIP+ members with income below 300% fpl pay premiums equal to or less than market rates – can be 50% less than market
- Member premiums fund 40% of total plan costs
- MHIP is supplemented by an annual assessment on hospitals (\$82 million in FY08)



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MHIP provides PPO and HMO options

4 PPO Options:

- **\$500 per person per year deductible** for medical services (maximum \$1,000 per family per year) with a maximum out-of-pocket limit of \$3,000 per person, \$6,000 family
- **\$1,000 per person per year deductible** for medical services (maximum \$2,000 per family per year) with a maximum out-of-pocket limit of \$3,500 per person, \$7,000 family
- **High Deductible Health Plan (HDP)** offering **\$2,600 per person** per year deductible for medical AND prescription services (maximum \$5,200 per family per year) with a maximum out-of-pocket limit of \$2,600 per person, \$5,200 family. **The HDP is designed to be used with tax-advantaged Health Savings Accounts approved by Congress in December 2003**
- **MHIP+ \$200 per person per year deductible** for medical services (maximum \$400 per family per year) with a maximum out-of-pocket limit of \$1,000 per person, \$2,000 family

20% coinsurance for most in-network services and 40% coinsurance for most out-of-network services



MHIP provides HMO and PPO options

HMO Network Option:

- No deductible
- \$25 co-payment for primary care and lab visits
- \$35 co-payment for specialty care visits
- Prescription Deductible - \$250 per person, \$500 per family
- HMO members must use MHIP network PCPs or obtain referrals from their MHIP primary physician in order to see specialists

***Enrollee can switch plans
during open season every year***



MHIP offers comprehensive benefits

MHIP offers a modified version of Small Group Benefits

- Care in medical offices for treatment of illness or injury
- Emergency services
- Inpatient and outpatient hospital services
- Inpatient and outpatient mental health and substance abuse services
- Home health care and hospice services
- Outpatient laboratory and diagnostic services
- \$2.5 million lifetime limit



MHIP's pre-existing condition exclusion

- From June 1, 2004 to June 2007, the MHIP Board of Directors waived the pre-existing condition exclusion for all current and new applicants
- In response to significant enrollment growth and to slow growth in plan expenses, a 2 month pre-existing condition exclusion will be applied to new applicants effective July 2007.



MHIP+ Premiums and cost sharing reduced for moderate/low income

- In December 2005, MHIP+ was established, to offer reduced premiums and plan cost sharing to those with income below 225% fpl.
- 1,700 individuals have enrolled in MHIP+, 16% of plan enrollment
- Must provide income documentation and recertify annually
- In July 07, MHIP+ will expand to 300% fpl, in order to discount increasing premium rates

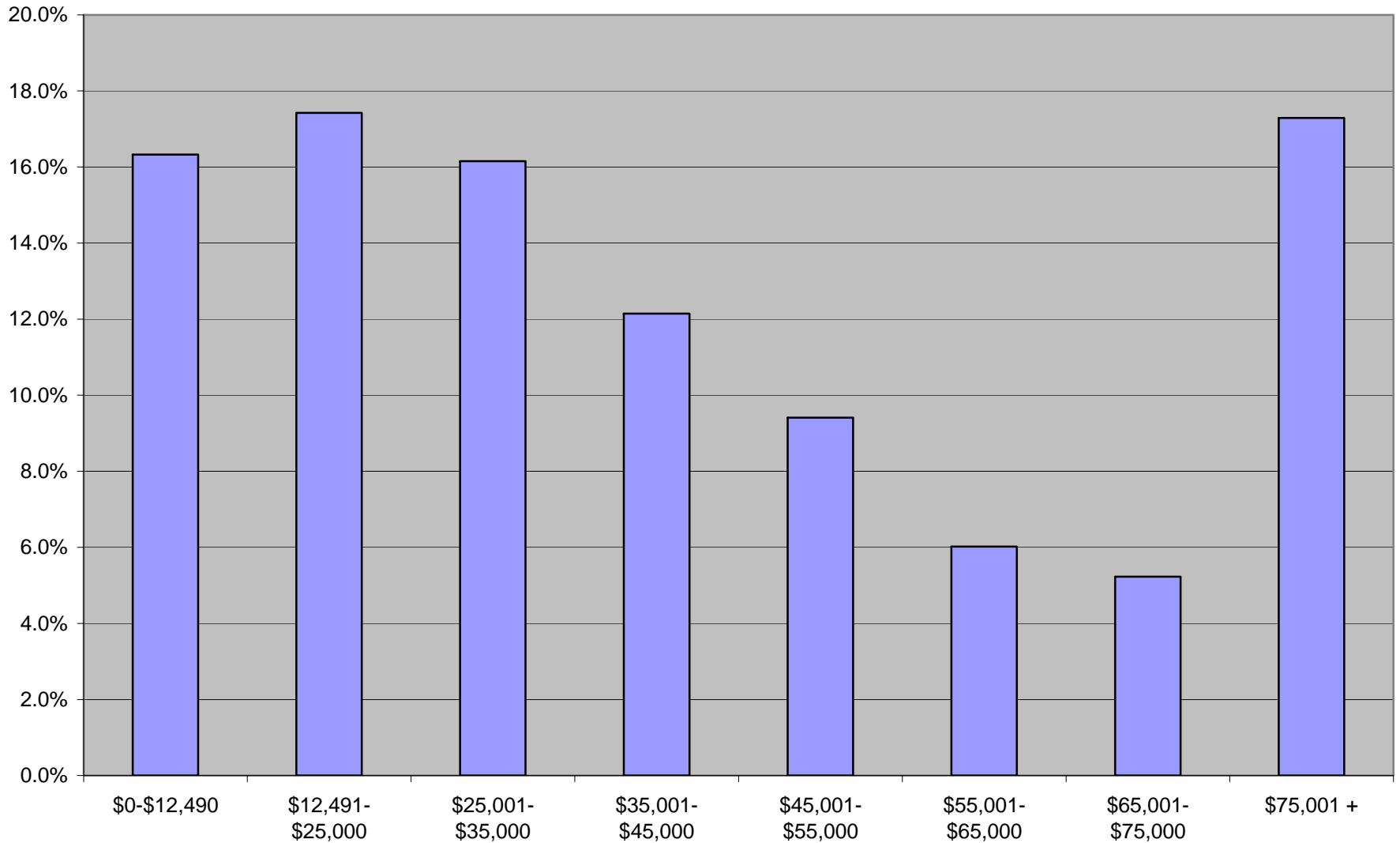
MHIP+ Income Subsidy Program

Premium Reduction & Benefit Enhancement for lower income uninsured

Age Band	Standard MHIP Rate for \$500 Deductible Product	MHIP+ rate for \$15,313 indiv. income, with \$200 deductible	difference from standard MHIP rate	MHIP+ rate \$20,240 in indiv. income, with \$200 deductible	difference from standard MHIP rate
0 - 29	\$199	\$135	-32%	\$135	-32%
30 - 34	\$237	\$150	-37%	\$150	-37%
35 - 39	\$272	\$166	-39%	\$166	-39%
40 - 44	\$311	\$195	-37%	\$205	-34%
45 - 49	\$347	\$195	-44%	\$233	-33%
50 - 54	\$384	\$195	-49%	\$262	-32%
55 - 59	\$422	\$195	-54%	\$290	-31%
60 - 64	\$459	\$195	-58%	\$317	-31%
65 and up	\$496	\$195	-61%	\$388	-22%



Maryland Health Insurance Plan: Enrollment by Income



Funding & Equity of MHIP Risk Pool

- Policyholders pay premiums that on average are no more than 130% of what is currently charged in the individual market
- Member premiums fund 40% of plan costs
- MHIP is supplemented by an annual assessment on hospitals (\$82 million in FY08)
 - Broad, equitable funding source on all hospital payers
 - Hospitals fund MHIP to reduce uncompensated care
- Shifts cost of otherwise uninsurable individuals into high risk pool, similar to auto high risk pool, subsidized by all hospital payers
- Reduces overall health industry costs by providing access to coverage for preventive services, and alleviates uninsured individuals from spending down resources to pay for health services
- Low-income applicants can access discounted premiums and out of pocket costs –discount can make MHIP less than rates paid by healthy individuals



For more information, visit

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When other health plans say no

MHIP says yes!