

Background: Maryland HealthChoice Program and §1115 Waiver Renewal

HealthChoice—Maryland’s statewide mandatory Medicaid managed care program—was implemented in 1997 under authority of Section 1115 of the Social Security Act. The HealthChoice program is a mature demonstration that has been proven to increase access to quality health care and reduce overall healthcare spending. The waiver authority that allows the operation of the HealthChoice program expires on December 31, 2016 and must be renewed with the Centers for Medicare and Medicaid (CMS) to run from January 1, 2017 through December 31, 2019.

As of the end of calendar year (CY) 2014, nearly 81 percent of the State’s Medicaid population was enrolled in the HealthChoice program, including children enrolled in the Maryland Children’s Health Program (MCHP). HealthChoice enrollees receive the same comprehensive benefits as those available to Maryland Medicaid enrollees through the fee-for-service system.

Evaluation: Between waiver renewals, DHMH completes an annual evaluation for HealthChoice stakeholders; since the inception of HealthChoice, DHMH has conducted five comprehensive evaluations of the program. The most recent evaluation of the HealthChoice program from CY 2010 to CY 2014 demonstrates the success of the program in improving access to health care services and providing coordinated quality care. Additionally, the HealthChoice program has demonstrated savings over the years.

- **Implementing Evidence-Based Programs for Overall Health Improvement.** HealthChoice enrollment increased during the most recent evaluation period by 48 percent, from 715,086 enrollees in CY 2010 to 1,060,192 enrollees in CY 2014. This increase includes 240,510 participants who gained coverage through Maryland’s expansion of Medicaid to adults with incomes up to 138 percent of the federal poverty level. DHMH is proposing initiatives in the waiver renewal to improve outcomes for this newly eligible population, including providing residential treatment for individuals with substance use disorders, providing limited housing support services and establishing presumptive eligibility for individuals with criminal justice involvement.
- **HealthChoice Reduces Costly Inpatient Stays and Promotes Medical Homes.** One of the goals of the HealthChoice program is to provide patient-focused, comprehensive and coordinated care by providing each member with a medical home. By providing enrollees with a medical home, the HealthChoice program provides enrollees with a greater understanding of the resources available to them. This in turn allows enrollees to seek care for non-emergent conditions in an ambulatory care setting before resorting to using the emergency department or letting an ailment exacerbate to the extent that it could warrant an inpatient admission. The rate of HealthChoice participants with at least one MCO inpatient admission decreased by 5.4 percentage points during the most recent evaluation period, indicating that the program has made strides in reducing costly hospital admissions.
- **Commitment to Improve Services.** DHMH is proposing initiatives in the waiver renewal to improve outcomes for the individuals covered under HealthChoice. For instance, DHMH is proposing to provide residential treatment for adults with substance use disorders, offer limited housing support services and establish presumptive eligibility for individuals with criminal justice involvement. More details on these initiatives are described on the next page.

Maryland HealthChoice Program – §1115 Waiver Renewal Initiatives

On June 30, 2016, DHMH submitted a Section 1115 waiver renewal application for the HealthChoice program, Maryland's statewide mandatory Medicaid managed care program that was implemented in 1997. As the State works with its partners in the provider and payer communities to transform the health care system, the renewal proposal includes initiatives to improve access to care, support individuals with substance use disorders, improve community transitions from the criminal justice system, leverage local programs and expertise and establish a stable foundation to deliver evidence-based services, including:

- **Residential Treatment for Substance Use Disorders (Eff. Date: July 1, 2017).** Governor Larry Hogan and his administration have prioritized comprehensive solutions to Maryland's substance abuse epidemic. Presently, CMS will not provide matching funds for state dollars that fund substance use disorder treatment for individuals receiving care in a residential facility without a waiver. In this waiver submission, the State is asking for a waiver of those rules in to allow Medicaid funds to cover a continuum of substance use services.
- **Limiting Medicaid Payment for Observation Stays in Hospitals to 48 Hours (Eff. Date: January 1, 2017):** As health care services move from inpatient to outpatient care, Maryland is proposing to align its payment policy with Medicare and limit state payment for observational stays in hospitals to 48 hours.
- **Transitions for Criminal Justice Involved Individuals (Eff. Date: July 1, 2017).** Another of the Governor's priorities has been reducing recidivism and identifying new and better ways to supervise justice-involved individuals. The Governor's Office of Crime Control and Prevention convened the Justice Reform Coordinating Council (JRCC) to develop a justice reinvestment process in line with these goals. As a result of JRCC's work, the *Justice Reinvestment Act* was signed into law. Connecting eligible individuals to Medicaid coverage upon release is a component of the bill, and the State is seeking a waiver that to provide presumptive eligibility for Medicaid-eligible individuals leaving jails and prisons in the state.
- **Limited Housing Support Services (Eff. Date: July 1, 2017).** There is strong recognition that socio-economic factors have a significant impact on health outcomes. In this submission, the State is seeking matching funds for a pilot program that would provide federal matching funds for housing-related support services for enrollees who are at risk of or are currently homeless. Through an open process, local entities would apply to deliver housing support services to up to 300 Medicaid enrollees statewide. The local entities will provide the non-federal share of payment.
- **Evidence-Based Home Visiting for Pregnant Women and Children (Eff. Date: July 1, 2017).** Another social determinant of health that can have a life-long impact for individuals are access to services that promote child development. In this waiver, Maryland is seeking federal matching funds for a pilot that would support local efforts to provide services through two evidence-based home visiting model programs: Nurse-Family Partnership and Healthy Families America. The models are focused on a target population of high-risk pregnant women and their children up to age two and five, respectively; the pilot would allow services for children up to age two. Through an open process, local entities would apply to deliver these evidence-based services and would provide the non-federal share of payment.
- **Increased Community Services Program (Eff. Date: January 1, 2017).** DHMH has been operating the Increased Community Services program since 2009. The program allows individuals residing in institutions with incomes above 300 percent of SSI to move into the community while permitting them to keep income up to 300 percent. Slots for the program are currently capped at 30, but the waiver will expand the limit from 30 to 100 over the three-year period.
- **Dental Expansion for Former Foster Youth (Eff. Date: January 1, 2017).** Chapters [57](#) and [58](#) of the 2016 Laws of Maryland authorize Medicaid to cover dental care up to the age of 26 for former foster care youth and require Medicaid to apply for CMS for the necessary waiver. DHMH seeks approval through this waiver to offer dental services available as an Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit to former foster youth up to the age of 26. Under existing rules, foster youth receive EPSDT dental benefits before they age out of dental coverage at age 21.