

To Reduce Income Levels for Medicaid Buy-In Populations

Part G and J

Legal Citations:

Summary: This Part directs the Department of Health and Human Services to revise its rules for eligibility for the Medicare Buy-in program to reduce income levels to the minimum federal levels.

Projected Budget Reductions:

Reduces funding to reflect a redistribution of funding and the reduction of resources among the various programs previously funded in the Fund for a Healthy Maine.

Account	SFY 12 Savings	SFY 13 Savings	Savings initiative
020201 - GF	836,743.00	4,462,786.00	LR 2678 A-11
Z01501 FHM Tobacco	156,217.32	833,159.25	LR 2678 A-9
Z01501 FHM Racino	91,746.68	489,315.75	LR 2678 A-9
Z01501 FHM Total	<u>247,964.00</u>	<u>1,322,475.00</u>	LR 2678 A-9

People Affected by Changes:

A portion (20,186) of the current MSP members would lose eligibility for this program. 28,578 will lose coverage for Part B gap coverage for coinsurance and deductible.

Current	MSP	Projected enrollment w/ Federal minimum levels
QMB	55,418	26,840
SLMB	7,275	12,903
QI	3,982	6,746
	<u>66,675</u>	<u>46,489</u> (difference is 20,186)

Potential State Funds Saved: The Savings in this initiative are only achieved in conjunction with the DEL initiative. If DEL were to remain, any individuals dropped from the MSP would move to DEL and negate any savings in the MSP.

- Loss of MSP means members will pay Medicare part B monthly premium of \$99.90 in 2012.
- Loss of MSP means some will lose the federal low income subsidy assistance for Medicare part D.
- Loss of QMB means some member will have no Medicare gap ("Donut Hole") coverage.

Legal Challenges: It needs to be determined if changing the eligibility levels for this program is in violation of MOE rules under ACA.

DEL Expenditures by Fund:			<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
010 020201	10A	Drugs for ME's Elderly	814,229.00	1,523,398.00	2,788,244.00	3,982,680.00
014 020201	10A	Drugs for ME's Elderly	0.00	309,881.00	534,559.00	677,555.00
014 Z01501	10A	FHM - Drugs for the Elderly and Disabled	<u>7,431,659.00</u>	<u>8,454,444.00</u>	<u>12,069,185.00</u>	<u>11,488,182.00</u>
Total DEL Expenditures			8,245,888.00	10,287,723.00	15,391,988.00	16,148,417.00
DEL Expenditure Breakout			<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Operations			0.00	352,959.83	242,275.23	222,397.27
Agency on Aging			0.00	452,769.00	540,360.00	300,000.00
Part B Premiums			0.00	2,874,933.43	9,585,058.05	10,947,812.84
Part D Expenses			0.00	4,313,494.84	2,899,104.59	1,083,273.62
MEPOPS Claims Processing (Goold Health Systems)			0.00	1,202,542.88	455,242.80	806,813.11
Pharmacy claims (includes, copay, excluded drugs, deductible and gap coverage.)			8,227,277.07	1,080,418.26	3,855,245.65	3,801,549.43
Durable Medical Equipment			18,611.21	10,605.01	60,932.09	32,657.49
Drug Rebates			0.00	0.00	(2,246,230.72)	(1,046,086.85)
Total DEL Expenditures			8,245,888.28	10,287,723.25	15,391,987.69	16,148,416.91

This data is through 2009.

Medicare Savings Plan (MSP)/Drugs for the Elderly (DEL) Comparison

	MSP - Current	MSP Proposal	DEL - Current	DEL Proposal
Overview	<p>Assists the elderly (over 65) and disabled with their Medicare part B premium and cost share. Individuals who are MSP eligible also receive free part D under the federal governments low income subsidy program (LIS).</p> <p>The buy-in groups are mandated under the Federal Medicaid Program, and members must be Medicare eligible to participate.</p>	<p>The proposal will not affect the benefits offered through the MSP, however it would change who is eligible.</p> <p>Maine currently has income levels higher than federal guidelines.</p> <p>This proposal would roll back these levels to those set by federal regulation.</p>	<p>The purpose of the DEL program was to assist some elderly with their drug cost. Prior to Part D, the Department paid 80% of a members drug cost. The member paid the difference out of pocket. With the implementation of Medicare Part D the benefit continued to assist with drug cost, but instead of straight cost the Department pays Part D premiums, the "Donut Hole"; the cost of drugs that are between the \$1,500 and \$3,000 gap in coverage in the Medicare Drug Benefit, excluded drug cost and copay's This is called the wrap benefit.</p> <p>In 2007 when the MSP program expanded, it reduced the cost of the DEL program. The savings achieved were shifted to pay the state portion of the Part B premiums.</p>	<p>The proposal would eliminate the "wrap" coverage for DEL members. (Wrap coverage includes deductibles, co-pays, premiums and excluded drugs.)</p>
Covered Populations and Eligibility	<p>Qualified Medicare Beneficiary (QMB) 150% of FPL (\$1,362 per month)</p> <p>Specified Low Income Medicare Beneficiary (SLMB) 170% of FPL (\$1,543 per month)</p> <p>Qualified Individuals (QI) 185% of FPL (\$1,679 per month)</p>	<p>QMB 100% of FPL (\$908 per month)</p> <p>SLMB 120% FPL (\$1,089 per month)</p> <p>QI 135% FPL (\$1,226 per month)</p> <p><i>This proposal will bring the eligibility income requirements to federal guidelines.</i></p>	<p>Individuals must be age 62 or older, or be 18 or older and receiving SSI disability.</p> <p>To qualify, a member's gross monthly income must be less than 185% of the FPL, or \$1,679 per month.</p> <p>Recipients are:</p> <p>DEL Qualified Members.</p> <p>MSP Members who receive DEL wrap benefits.</p> <p>Dual Eligible Members who receive DEL wrap benefits.</p>	<p>The proposal does not change eligibility criteria or the groups who receive DEL Wrap benefits.</p>

	MSP – Current	MSP Proposal	DEL – Current	DEL Proposal
Benefits	<p>Benefits vary by enrollment group.</p> <p>QMB - Payment of Medicare Part A and Part B premiums and payment for Medicare coinsurance and deductibles.</p> <p>SLMB - Provides for payment of Medicare Part B premiums only.</p> <p>QI - Provides payment for Medicare part B Premiums only. (QI is 100% federally funded.)</p>	<p>Benefits vary by enrollment group.</p> <p>QMB - Payment of Medicare Part A and Part B premiums and payment for Medicare coinsurance and deductibles.</p> <p>SLMB - Provides for payment of Medicare Part B premiums only.</p> <p>QI - Provides payment for Medicare part B Premiums only. (QI is 100% federally funded.)</p>	<p>Members receive wrap benefits as follows:</p> <p>MSP members have coverage for excluded drugs and coverage for copayment.</p> <p>DEL enrollees have their Medicare Part D premium paid for, copay coverage, part D deductible coverage, excluded drugs, and “Donut Hole” coverage.</p>	<p>Under the proposal, wrap coverage for the DEL, MSP and Duals would be eliminated.</p>
Enrollment	<p>QMB: 55,418</p> <p>SLMB: 7,275</p> <p>QI: 3,982</p>	<p>QMB: 26,840</p> <p>SLMB: 12,903</p> <p>QI: 6,746</p>	<p>DEL: 4,200</p> <p>MSP: 43,729</p> <p>Dual: 47,344</p>	<p>No change in enrollment numbers.</p> <p>78,368 members would have their wrap benefit reduced or eliminated.</p>