

HealthChoice – To the Present

HealthChoice, Maryland's mandatory Medicaid managed care program, was established through a waiver of federal Medicaid requirements approved by the Health Care Financing Administration (HCFA) on October 30, 1996. The HealthChoice Program was implemented to assure comprehensive health benefits to Maryland's most vulnerable populations. Within the first year, approximately 330,000 individuals were enrolled.

The HealthChoice Program offers a comprehensive benefit package to all enrollees including the full range of benefits available under the Medicaid FFS program (e.g., primary care, inpatient care, early and periodic screening, diagnosis and treatment (EPSDT) services for children, pregnancy related care, pharmacy and lab, etc.). In addition, all MCOs offer additional benefits, primarily adult dental services. MCO enrollees may also self-refer outside of their MCO's network for other specific services such as substance abuse treatment, school-based services, kidney dialysis, and family planning services.

Some specific services are excluded from HealthChoice and paid for under the Medicaid FFS program (e.g., personal care, institutional care, home and community-based waiver services, etc.). These account for over 35% of total expenditures of the program. Specialty mental health services are also paid for on a FFS basis and are administered by the Mental Hygiene Administration.

MCOs are pre-paid a set amount (a capitation payment) to provide all needed covered services to an enrolled member. In Maryland, these capitation payments are risk-adjusted. That is, each MCO is provided a monthly payment based on the relative health of their enrolled HealthChoice population.

As of January 1, 2001, there were eight MCO's contracting with DHMH. Six of these MCOs, Americaid, Helix Family Choice, Jai Medical Systems, Maryland Physicians Care, Prime Health and Priority Partners, only serve the Medicaid population. Two MCOs, Freestate Health Plan and United Health Care, serve the Medicaid population and commercial members. All of the HealthChoice MCOs are for-profit organizations. Freestate Health Plan withdrew in March, 2001 and Prime Health in April, 2001.

As mentioned, some Medicaid recipients are not eligible for participation in HealthChoice and continue with full fee-for-service Medicaid. They are:

- recipients who are dually eligible for Medicare and Medicaid:
- recipients who are institutionalized in nursing homes, Chronic hospitals, Institutions for Mental Diseases (IMDs) or Intermediate Care Facilities for the Mentally Retarded (ICF-MRs):
- individuals who are eligible for Medical Assistance for a short period of time (spend downs):
- recipients in the Model Waiver program for children who are medically fragile: and, persons receiving family planning services through the Family Planning Waiver.

During fiscal year 2001, there was an average monthly MCO enrollment of 406,950 persons. Payments made to HealthChoice MCOs during fiscal year 2001 totalled \$997.6 million.