

# MEDICAID EXPANSION: SOME STATISTICS TO DATE

## Background

The passage of Senate Bill 405, or the Montana Health and Economic Livelihood Partnership (HELP) Act, in 2015 authorized the expansion of Medicaid in Montana but also:

- required the Department of Public Health and Human Services (DPHHS) to contract with a third-party administrator to create a health care provider network and administer benefits for the expansion enrollees;
- required enrollees to pay premiums equal to 2% of their annual incomes and make copayments for many services;
- allowed DPHHS to remove people with incomes at or above 100% of the federal poverty level from the program if they failed to pay the premiums, unless they met two out of four criteria established in law; and
- required people at or above 100% of poverty to pay a “taxpayer integrity fee” if they have assets that exceed one home, one vehicle, and \$50,000 or more in cash and cash equivalent.

This briefing paper summarizes some data related to those elements of SB 405.

## By the Numbers

The numbers in the table below came from information provided by DPHHS, which oversees most aspects of the Medicaid expansion, and the Department of Revenue, the agency responsible for collecting the taxpayer integrity fee.

SB 405 Element	Numbers
Number Enrolled	As of Dec. 15, 2017: 89,605
Number Who Left For Any Reason	January 2017-September 2017: 20,735*
Disenrollments Avoided	January 2017-December 2017: 6,154
Premium Collections	Jan. 1, 2016-Dec. 15, 2017: \$6.68 million
Copayments	Not collected by the state
TPA Fee	January 2016-November 2017: \$10.13 million
Taxpayer Integrity Fee Collections	January 2016-December 2017: \$0

\* Number could count people multiple times if they exit/re-enter during this time period.

## The Detail Behind the Numbers

- **Enrollment/Disenrollment:** DPHHS statistics show that 89,605 people were enrolled in the expansion program as of Dec. 15, 2017. Since the beginning of 2017, DPHHS has recorded 20,735 instances of people leaving the program before their eligibility expired. That number could count one individual multiple times and does not track why people left the program. They could have been disenrolled for failure to pay premiums or they may have obtained other insurance coverage, moved out of state, or become eligible for another program.

During 2017, 6,154 people avoided disenrollment for failure to pay premiums under exceptions allowed by SB 405 – military service, higher education, or taking part in certain health or workforce activities.

- **Premiums:** DPHHS reports that enrollees had paid nearly \$6.7 million in premiums from Jan. 1, 2016, through Dec. 15, 2017.
- **Copayments:** Health care providers are responsible for collecting the copayments that can be charged for any Medicaid enrollee. As a result, the state does not have information about the amount of copayments paid by expansion enrollees. However, a survey of providers by Blue Cross Blue Shield of Montana showed that 92% of the respondents had provided services to an expansion enrollee during the survey period. Of those, 35% did not provide services to people who were responsible for making copayments, 42% collected all the copayments that were due to them, and 23% were unable to collect copayments. The amount of uncollected copayments totaled about \$6,500.
- **Taxpayer Integrity Fee:** As of Dec. 31, the Department of Revenue had not collected any money from the taxpayer integrity fee. However, it had identified fewer than 10 people who may owe the fee and was in the process of assessing the fee and collecting payment. It had assessed about \$2,500 for the fee as of early January. To determine whether people owed the fee, the agency mailed letters in January 2017 to about 300 taxpayers identified as possibly meeting the HELP Act criteria and then sent additional notices in April and May. The department sent a second round of letters and notices to another 90 people from July to October. The letters asked people to indicate whether they are HELP participants and, if so, whether their assets exceed those allowed by SB 405.
- **TPA Contract:** DPHHS awarded the third-party administration (TPA) contract to Blue Cross Blue Shield of Montana. The contract called for Blue Cross to receive a monthly fee of \$26.39 for each person enrolled in the program during the first 6 months of enrollment. After that, the monthly per-person fee was to be based on the number of enrollees, with a maximum monthly fee of \$25.39 per person if there were 25,000 or fewer participants. The fee was to decrease as the number of enrollees increased. The number of people subject to the TPA arrangement has remained below 25,000 since expansion went into effect. As a result, DPHHS paid Blue Cross a monthly fee of \$25.39 per person for the last 6 months of 2016 and paid an inflation-adjusted rate of \$25.92 per person per month in 2017. Payments totaled \$10.13 million from Jan. 1, 2016, through November 2017.

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### Sources:

- Data and information provided by Erica Johnston, Manager, Business and Financial Services Branch, DPHHS, Oct. 19, Oct. 26, Oct. 27, and Nov. 2, 2017, and Jan. 4, 2018.
- Data and information provided by Robin Sayler, Manager, Withholding Tax Compliance Unit, Department of Revenue, Oct. 18, 2017.
- Interview with Lee Baerlocher, Administrator, Business and Income Taxes Division, Department of Revenue, Oct. 18, 2017.
- Information provided by Mary Ann Dunwell, Public Information Officer, Department of Revenue, Jan. 8, 2018.