



Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Acting Secretary

March 10, 2021

The Honorable Delores G. Kelley
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401 – 1991

RE: SB 923 – Maryland Department of Health – Maryland Medical Assistance Program – Eligibility and Disenrollment – Letter of Information

Dear Chair Kelley and Committee Members:

The Maryland Department of Health (MDH) respectfully submits this letter of information for Senate Bill (SB) 923 – Maryland Department of Health – Maryland Medical Assistance Program – Eligibility and Disenrollment.

SB 923 extends the period of time pregnant recipients are eligible for the Maryland Medical Assistance Program (Maryland Medicaid) from two months to 12 months postpartum. The bill also directs MDH to develop written health literacy materials to facilitate the disenrollment process and instructs MDH to adopt regulations for ensuring care coordination to transition providers for beneficiaries who lose Medicaid coverage after 12 months.

In the first full year of services (FY2023), MDH estimates a fiscal impact of \$15.6 million for the expansion proposed in SB 923. If dental care were included, the cost of the postpartum coverage expansion would total \$16.9 million. To receive a federal match on this expansion, MDH will need to apply and receive approval for a federal §1115 waiver. If a federal waiver is approved, federal funds would be available at a 61% blended rate.

Existing coverage is available for this population under Qualified Health Plans (QHPs) through the Maryland Health Benefit Exchange, the state's health insurance marketplace. QHPs cover Essential Health Benefits as set forth under the Patient Protection and Affordable Care Act. While the QHP benefit package remains the same regardless of income, federal subsidies are available on a tiered basis, by income, up to 400 percent of the federal poverty level.

Lastly, SB 923 is unclear about what type of care coordination would be required at the time of a participant's disenrollment. Challenges exist in accurately predicting coverage closure for a given participant prior to disenrollment. In recent years, MDH has implemented a number of enhancements around renewals, including an automatic renewal process for participants who qualify on the basis of MAGI through Maryland Health Connection. Approximately 55% of participants are automatically renewed each month. Approximately 72% of participants that do not renew automatically go on to re-apply for benefits maintain coverage without any gaps.

I hope this information is useful. If you would like to discuss this further, please do not hesitate to contact me at webster.ye@maryland.gov / (410) 260-3190 or Heather Shek, Director of Governmental Affairs at heather.shek@maryland.gov or at the same phone number.

Sincerely,



Webster Ye
Assistant Secretary, Health Policy