



View from Maryland: Impact of Medicare Part B Premium Increases



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Scope of Presentation

- Maryland Medicaid Facts at a Glance
- Background on Medicaid Premium Payment for Low Income Medicare Beneficiaries
- Selected National Impact of Premium Increases
- Maryland Impact of Premium Increases

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Maryland Medicaid: Facts at a Glance

- ❑ As of January 2015, Medicaid covers 23% of all Maryland residents
- ❑ As of January 2015, Medicaid or MCHP covers 39% of all Maryland children
- ❑ In 2014, Medicaid paid for 73% of all nursing facility days in the state
- ❑ There are currently 55,000 providers enrolled in Maryland Medicaid
- ❑ In federal fiscal year 2014, Medicaid reimbursed services in the amount of \$8.9 billion Statewide, including funding of DDA, MHA, and MSDE Medicaid services
- ❑ The projected Statewide Medicaid spending in FY 2015 exceeds \$10 billion

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State Medicaid programs cover premiums for low-income Medicare beneficiaries

- Some individuals are enrolled in both Medicaid and Medicare. They are known as “dual eligibles.”
- Duals are a mandatory coverage group under 1902(a)(10)(E) of the Social Security Act. There are two principal groups of duals:
 - “Full duals” are individuals who have full Medicaid & Medicare coverage. Medicaid pays their Medicare premiums and co-pays, and pays for Medicaid services like long term care.
 - “Partial duals” like Qualified Medicare Beneficiaries (QMB) and Specified Low-income Medicare Beneficiaries (SLMB). Medicaid pays for Medicare Part B premiums and, in the case of QMB, co-pays for Medicare services and Part A premiums.
- As such, Medicaid covers their premiums and co-pays (as well as Medicaid services).
- Duals are not under the hold harmless rule, so states will have to pay for the premium increase.

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Medicare Part B premium increases will affect all state Medicaid programs

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- California anticipates a \$300 million more in state spending.
 - Colorado expects \$45 million increase in state dollars.
 - Rhode Island would spend \$10.8 million more in state money.
 - Wisconsin would face \$31.5 million in new state costs.
 - Wyoming would spend \$6.6 million in additional spending – a sum that would single-handedly eliminate all the savings the state generated in other areas of Medicaid.

Source: National Association of Medicaid Directors (NAMC)

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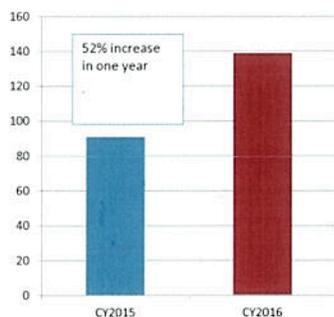
The impact on Maryland will be significant

- Maryland has approximately 137,000 dual eligibles.
- The estimated premium increase from \$105 to \$159 would result in **\$48 million** in new state spending.
- The grand total for premiums in state spending will be **\$139 million**.

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State spending on Medicare could affect other priorities

Premium increase, in millions



- In Maryland's last budget, the state invested similar sums of money in other efforts, including:
 - \$34.2 million to build Readiness Center facilities in three counties to support the National Guard.
 - \$39.4 million for the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund to support non-point source pollution control projects
 - \$40.1 million to provide cash, medical and housing benefits to approximately 18,000 individuals with disabilities



QUESTIONS?