

MEDICAID REDETERMINATIONS

AN UPDATE ON VERMONT'S MEDICAID ELIGIBILITY REVIEW

JULY 25, 2016

MABD reviews are on schedule

- MABD reviews were re-started in October 2015, a little over a year after they were paused (July 2014). By October 2016, all enrollees will have undergone a review within the year, and the following year's review will immediately begin.
- Review dates are based on when enrollees first received coverage and are conducted on an annual basis.
- Reviews average roughly 1,000 households per month, but there is considerable variance – ranging from just over 600 to more than 1,900 in any given month.
- MABD enrollees typically respond promptly, often after the first notice.

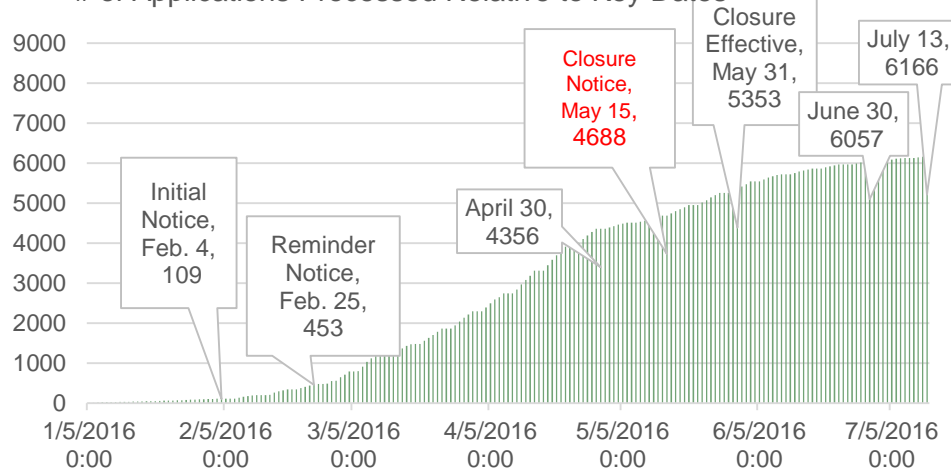
Reduction in MABD enrollment is due to changed coverage classification, not loss of coverage

- An analysis of nearly 3,000 closed MABD enrollees shows that nearly nine out of ten (86%) transitioned from MABD to VHC.
- This transition was appropriate because enrollees had an ANFC (old Medicaid) category code that had been included in MABD reporting rather than in an MCA category.
- Their reviews are properly based on MAGI rules.

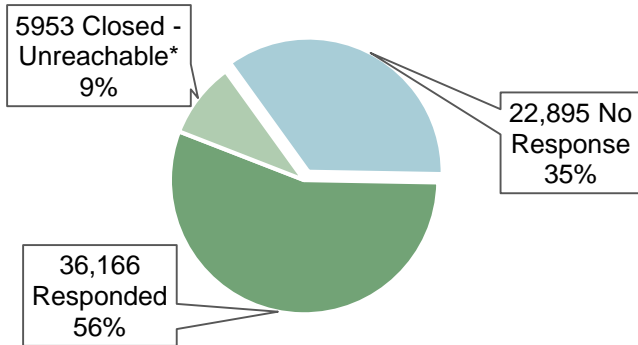
- VHC has initiated the renewal process for 65,000 MAGI households; more than 100,000 individuals.
- Verifying all Medicaid households at initial application and redetermination for income, SSN, citizenship, & immigration status.
- Approved mitigation plan with CMCS which brings us into compliance with CMCS priorities in 2017.
- Unlike MABD enrollees, MCA enrollees tend to wait longer to respond.
 - Only about half respond by closure notice.
 - Many don't apply until they need medical services.
 - DVHA has mailed promotional posters and handouts to Medicaid providers and asked them to communicate the importance of prompt renewal to patients.

Responses from Medicaid Renewals Group 2

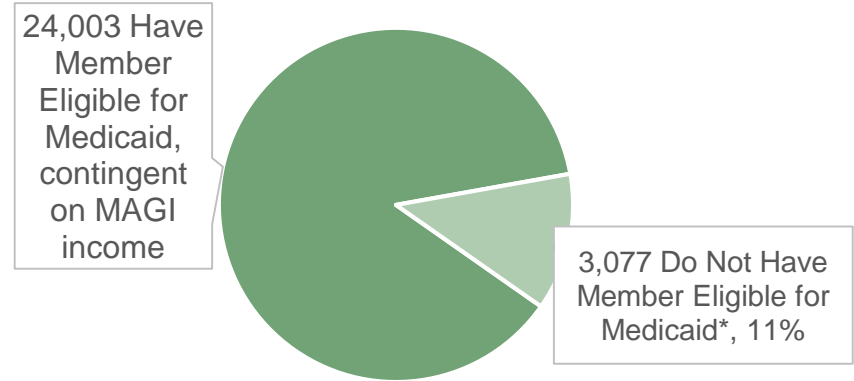
of Applications Processed Relative to Key Dates



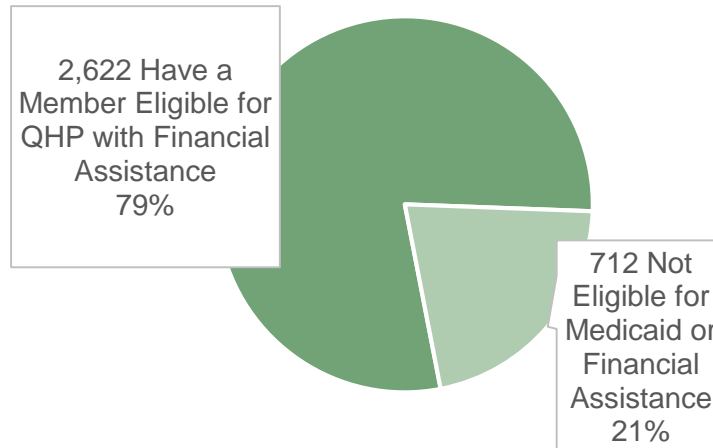
Of the first 65,000+ MAGI Medicaid households engaged in the renewal process, roughly half received a reminder and then had their coverage closed. After the closure, the response rate climbs.



Of 27,000+ Households Entered and Determined:



Of 3,000+ Households Applying for Assistance but Not Eligible for Medicaid:



- It's still early to be certain, but trends are starting to emerge.
- Better projections will be able to be made once:
 - 1) The three-month retroactive window is passed and policymakers learn how many enrollees signed up retroactively to avoid a gap in coverage.
 - 2) There is adequate data to assume an average post-closure reenrollment rate.

Important to underscore that we are seeing two types of churn:

- Normal changes in income for households (both on and off of Medicaid).
- The lag of MAGI re-enrollment will likely cause a decrease in caseload but a corresponding increase in PMPM.

- For example, in the case of the New Adult population, enrollees who still hadn't responded six weeks after their closure date had a much lower PMPM – and were most likely to have zero claims in the last 12 months – than either average enrollees or those who renew earlier in the process.
- In fact, Vermonters who closed on April 30 and still hadn't responded by July 11 had a previous year PMPM half that of the '16 BAA PMPM.
- If this trend continues, Medicaid could experience a dip in enrollment but a corresponding increase in the cost per enrollee.

PMPM of New Adult Non-Responders by Renewal Group

