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**JANUARY  
30, 2020**

# **MEDICAID ACCESS AND COVERAGE OPTIONS FOR OUT-OF-STATE COLLEGE STUDENTS**

Presented by Dennis "Manny" Miranda-Cruz  
to the House Committee on Health Care

# Today's Discussion

## SECTIONS

Medicaid & CHIP

Vermont Student Pop.

SHIPs and Other Coverage Options

Concerns

Policy Recommendations

# Medicaid & CHIP

## MEDICAID

## CHIP

### Purpose

Serves **eligible low-income** adults, children, pregnant women, elderly adults and people with disabilities.

Serves **uninsured children up to age 19** in families with incomes too high to qualify them for Medicaid.

### Financial Eligibility

Under ACA, financial eligibility has been expanded for children to **at/below 113% of FPL** in all states.

Eligibility **varies** across states.

### Level of Benefits

**Basic health services are guaranteed** to be covered by Medicaid under federal law, additional services may be covered depending by state.

CHIP provides the **same benefits** as Medicaid.

### Participants

**36 million** children are enrolled in Medicaid or CHIP.

## In Vermont

Children **under the age of 19** are eligible for Medicaid or CHIP can enroll under Vermont's **Dr. Dynasuar**.

Eligible for household with incomes below  
**312% FPL.\***

Between 2015-2017, the share of Vermont children under 18 enrolled is  
**56.7%.**

# Student Population

## Vermont's Post-Secondary Institution



### Out-of-State

Out-of-state students make a **substantial** share of Vermont's college\* population.

High: **Bennington - 96%**

Low: **NVU - 20%**



### Coverage

The Local Mountain Group reports that **8.6%** of college students don't have health care



### Income Breakdown

On average, **44%** of a college pop. come from the **bottom 80%** of the income bracket; **6.3%** from the **bottom 20%**

\*Referring to baccalaureate colleges

# The Scenario



An 18-year old on **Medicaid** and from an **out-of-state, low-middle income household** has been accepted and plans to attend a Vermont college.

## Does he need a health insurance plan?

On the federal (ACA) and state (H.524) level, there is an **individual mandate** requiring citizens to enroll under a **qualifying health plan**. Following the mandate, **all Vermont colleges require full-time students** to have health insurance when enrolling.

# External Medicaid



Our 18-year old already has qualifying coverage under his home-state's Medicaid program. **Will he be able to transfer his coverage out-of-state?**

# No.\*

STATES HAVE **DIFFERENT** ELIGIBILITY REQUIREMENTS AND PROVIDER NETWORKS.



## DVHA MEDICAL POLICY

Vermonters on Medicaid can receive coverage out-of state **if:**

- the **provider is enrolled** as a Vermont Medicaid provider
- the service is **not available within Vermont** or at any "considered" Vermont hospital
- the holder's request is **approved** by DVHA

# Coverage Options

ARE **AFFORDABLE** AND **ACCESSIBLE**

INSURANCE ALTERNATIVES AVAILABLE?

**inaccessible or unaffordable**

CHOICE 1

Enroll under the  
parent's plan

CHOICE 2

Enroll in a  
marketplace plan

## What makes choice 1 and 2 likely inviable?

- **Costs**
- **Enrollment Period:** The 2020 Open Enrollment starts Nov. 1 and lasts 6 weeks.

**let's explore these**

CHOICE 3

Apply for Vermont  
Medicaid

CHOICE 4

Enroll in a college's  
Student Health  
Insurance Plan  
(SHIP)

## Applying for Vermont Medicaid

CAN **DEPENDENT, OUT-OF-STATE** STUDENTS APPLY FOR COVERAGE UNDER VERMONT MEDICAID/CHIP?

1

One **cannot** receive Medicaid benefits simultaneously in two states, thus one **must close their Medicaid case**—and end their benefits—in their original state before applying for benefits in their new state.

2

Vermont has one of the most **expansive** income eligibility standards for Medicaid as children ages 6-18 from household incomes **312% FPL** eligible. This is the **4th highest nationwide**.

3

**BUT**, though Vermont does not have a **residency length requirement** and offers **retroactive** coverage, eligibility for out-of-state students is **complicated\*** given the standards for (**temporary**) residency. Additionally, even if offered, Vermont Medicaid **does not cover** for when the student **returns** back home or travels.

# Coverage Options

## Student Health Insurance Plans (SHIP)

### THE LAST RESORT?

Colleges often promote their student health plans as the **best option** for students in regards to its **affordability and coverage**. Some colleges even set their plans as the **default** health insurance plan.

e.g.

Dear Middlebury College Student,

Middlebury College requires you to be enrolled in a health insurance plan as a student of the college. Consequently, all students **must** submit a decision form electing to either enroll in or waive out of the Annual Student Health Insurance Plan.

The 2019-2020 Middlebury College Student Health Insurance Plan is fully-compliant with the Affordable Care Act (ACA) - unlimited essential health benefits and immediate coverage for pre-existing conditions.

For a complete description of the benefits available to you through this plan, please go to [www.gallagherstudent.com/Middlebury](http://www.gallagherstudent.com/Middlebury), "My Benefits and Plan Information".

The online Decision Form is now available. The deadline to enroll in or waive the school plan is 9/13/2019. To complete the decision form:

VSCS employs a **hard-waiver** system where its SHIP is added to its tuition fees and **students must choose to opt-out** in order to waive its coverage.

Let's look into the **affordability** and **coverage** of these SHIPs:



# Affordability Comparison

ARE SHIPS AN **AFFORDABLE** OPTION FOR MEDICAID USERS?

	<b>MCHP</b>	<b>Middlebury</b>	<b>UVM</b>	<b>VSCS</b>
<b>Premium</b> (Monthly Rate)	<b>\$0</b> (MCHP) <b>\$57</b> (200-250%) <b>\$71</b> (250%-300%)	<b>\$210</b>	<b>\$224.50</b>	<b>\$164.75</b>
<b>Deductible</b>	<b>-\$*</b>	<b>\$0</b>	<b>\$200</b>	<b>\$850</b>
<b>Copayments</b>	<b>None*</b>	<b>10%**</b>	<b>Varies***</b>	<b>80%</b>
<b>Coinsurance</b>	<b>None*</b>	<b>90%</b>	<b>80%</b>	<b>75%</b>

\*In-network only

\*\*For "general" services

\*\*\*See UVM's SHIP brochure

# Coverage Comparison

## DO SHIPS PROVIDE A **COMPARABLE** LEVEL OF BENEFITS?

SHIPs are regulated under ACA and are required to cover **ten "essential" health benefits** without an annual or lifetime benefit maximum.\*

These covered benefits are:

- hospitalization
- ambulatory/emergency services
- maternity and newborn care
- MHDs and SUDs services
- prescription drugs
- lab testing
- chronic disease and **preventive services**
- dental and eye care
- rehabilitative services

 However, there are some exceptions within these regulations:

1. Exceptions to what's a "student health plan"—i.e. a short-term policy marketed to students can be not compliant. (**36 states consider short-term policies to last at least 6 months**)
2. Schools that self-insure student plans are not regulated by DHHS and are not required to provide "minimal essential coverage." (**Applies to 30 institutions**)
3. Religious exemptions are available to ACA-compliant plans unwilling to cover contraceptives

# The Cracks

## PROBLEMS IN THE **SYSTEM?**

Students on Medicaid w/ demonstrate financial need are **defaulted to costlier plans offering less (certain) coverage.**

Early deadlines and barriers to information **produce the uninformed consumer.**

Vermonters on Medicaid and going out-of-state have **no options for affordable or comparable coverage.**

More secure and cost-friendly Medicaid coverage **can encourage students to study in-state** than in Vermont.

Out-of-state students on Medicaid may be **forced to study uninsured to save costs.**

# Recommendations

## HOW DO WE **COVER** THE CRACKS?



### **Bridge the Information Gap**

Encourage institutions to provide clear, concise, and accessible information on student's health insurance options; and to reconsider deadlines to ensure that students are informed by then.



### **Oversight on SHIPs**

Review the plans institutions negotiate with private insurers and highlight points that prevent the SHIP from being ACA-compliant, comparable, and affordable to its holders.



### **Split the Market**

SHIPs are standardized on pricing and coverage yet the market includes diverse incomes and service needs, encourage institutions to create varying plans and/or to introduce cost waivers.

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