

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

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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, "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?

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

*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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