



MACPAC
Medicaid and CHIP Payment and Access Commission



Issues in Pregnancy-Related Medicaid and Minimum Essential Coverage

Martha Heberlein
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Overview

- Review of the issues and MACPAC March 2014 recommendations
- Overview of new CMS and IRS guidance
- Considerations for pregnant women in selecting coverage
- Impact of recent guidance on Commission recommendations

Background on Issues Leading to MACPAC's March 2014 Recommendations

- Medicaid benefits for women eligible on the basis of pregnancy are limited in some states
- Exchange (qualified health plan or QHP) coverage is broader than pregnancy-related benefits, but may have higher costs and different benefits
- Eligibility for QHP subsidies is limited to those who are not eligible for other coverage, but an exception was made for all pregnancy-related Medicaid, regardless of whether it provided full benefits
- Although not enforced in 2014, women enrolled in pregnancy-related Medicaid could be subject to mandate penalty

March 2014 Recommendation 1

To align coverage for pregnant women, the Congress should require that states provide the same benefits to pregnant women who are eligible for Medicaid on the basis of their pregnancy that are furnished to women whose Medicaid eligibility is based on their status as parents of dependent children.

Rationale:

- To ensure the best pregnancy and birth outcomes, coverage should not be restricted to only pregnancy-related services for some women
- Would enable the classification of all pregnancy-related Medicaid coverage as minimum essential coverage (MEC), protecting enrollees from the individual mandate

March 2014 Recommendation 2

The Secretaries of the U.S Department of Health and Human Services and the U.S Department of the Treasury should specify that pregnancy-related Medicaid coverage does not constitute minimum essential coverage in cases involving women enrolled in qualified health plans.

Rationale:

- Would prevent women already enrolled in QHP coverage from having to temporarily disenroll and then reenroll after pregnancy-related Medicaid ends
- Allow pregnant women to enroll concurrently in Medicaid

New CMS and IRS Guidance

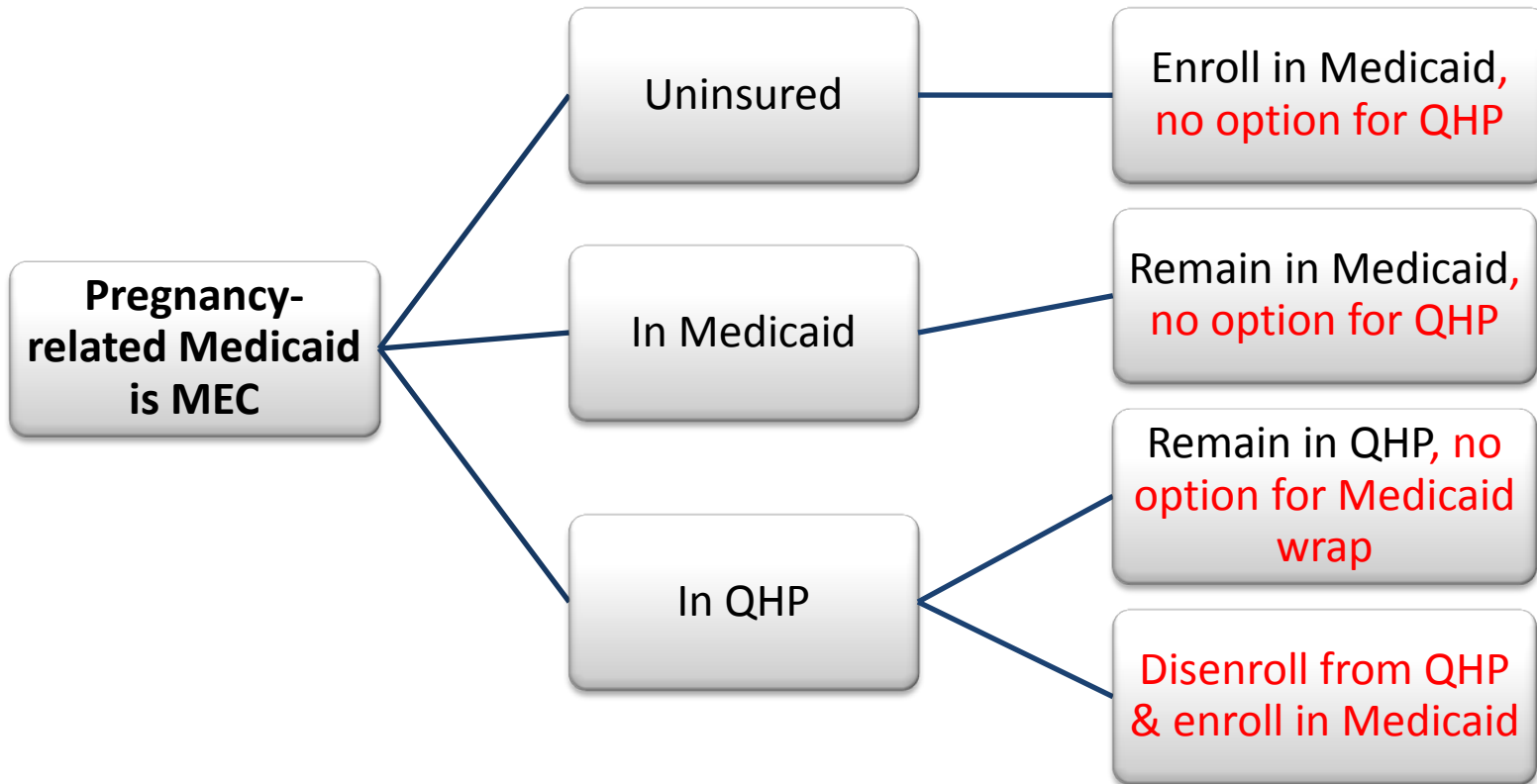
- In a November 7, 2014 letter, CMS announced pregnancy-related Medicaid will be considered minimum essential coverage (MEC) in states that provide full Medicaid benefits
- Simultaneous IRS guidance reaffirmed that all women in subsidized QHPs who become eligible for pregnancy-related Medicaid can retain QHP coverage, but options for concurrent enrollment have changed

Coverage Options for Pregnant Women in States Providing Full Medicaid

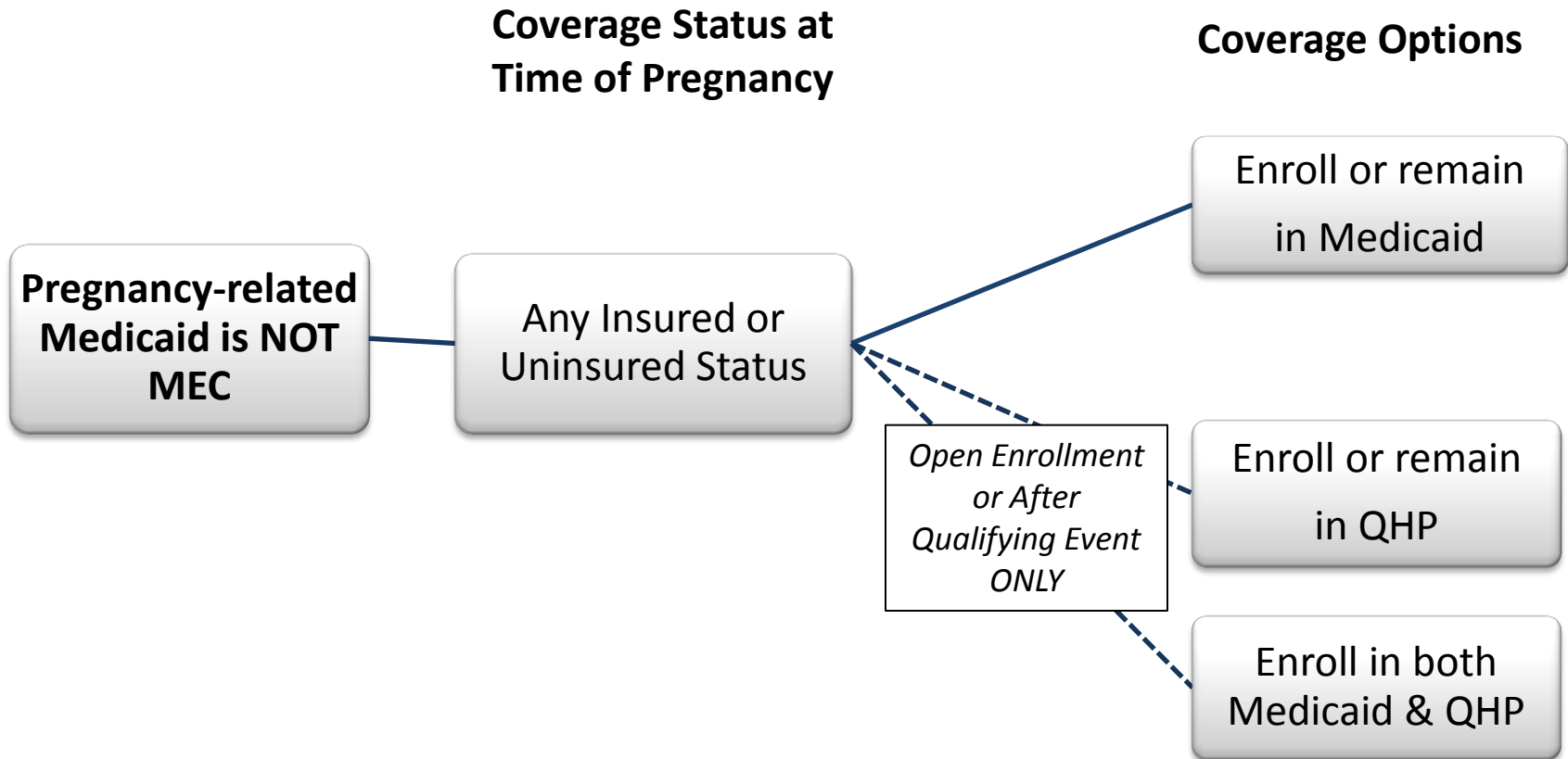
Benefits

Coverage Status at
Time of Pregnancy

Coverage Options



Coverage Options for Pregnant Women in States Providing Limited Benefits



Considerations for Pregnant Women

- Comprehensiveness of benefit package
- Cost of coverage
- Transitioning between plans
- Family coverage
- Whether states can enroll women in both programs and wrap benefits/cost sharing

Impact on Commission Recommendations

Recommendation 1 – Require full Medicaid benefits for pregnant women

- Guidance does not affect a state's ability to limit benefits
- Guidance does exempt women from being subject to the mandate penalty

Impact on Commission Recommendations

Recommendation 2 – Allow women to remain enrolled in QHPs and receive Medicaid wrap

- Guidance does allow women who are enrolled in QHPs and become eligible for pregnancy-related Medicaid to remain enrolled in QHP
- Guidance does not allow women in states where the coverage is considered MEC to enroll in both

Potential Next Steps

- Monitor CMS decisions regarding in which states pregnancy-related coverage is considered MEC
- Determine the extent to which women are able to secure both sources of coverage
- Assess data availability to evaluate the practical impact of the change