Summary of Montana Premiums for Medicaid Expansion

Montana premium

Montana assesses two percent of income (modified adjusted gross income (MAGI)) for individuals participating in the Medicaid Expansion program. The two percent is a premium, and is credited against the five percent aggregate cap. The individual receives the "credit" even if they do not pay the premium. The ability to assess the premium is authorized under a Section 1115 Waiver.

Example

Say for example, the 5% aggregate cap for the individual (based on their MAGI) for a quarter is $30. The 2% premium is $10. The individual receives a $10 "credit" toward their aggregate cost sharing cap (*whether they pay the $10 premium or not*). The first $10 of copayments for the individuals are "credited" and not paid by the individual. Once the individual incurs the 11th dollar of copayments, they then become responsible for any additional copayments assessed – up to the $30 quarterly aggregate cap.

Once the individual reaches the $30 aggregate cap for the quarter, the individual will not be assessed any additional copayments for that month.

Status and Resources

In the first six months of the Montana Medicaid Expansion, $1.1 million in premiums have been paid. The $1.1 million in premiums represent about 70% of the premiums that have been charged.

Once the member gets past 120 days of no payment, they are disenrolled at the start of the next month. The first month Montana had this in place, they disenrolled around 350 individuals, the second month they disenrolled around 650 individuals. Individuals can re-enroll upon payment of arrears or after the debt is assessed against their state income taxes, no later than the end of the calendar quarter.

Because the federal government is paying 100% of the coverage for the Medicaid Expansion, 100% of the premiums collected are returned to the federal government. (In January 2017, when the federal match on Medicaid Expansion goes to 95%, then 95% of the premiums collected will go back to the federal government, and Montana will keep 5% of the premiums collected.)

Montana has a Third-Party Administrator involved with their Medicaid Expansion product and the Third-Party Administrator is responsible for the collection efforts for the premiums. They are also responsible for processing most claims for the Expansion population (Pharmacy and Dental excluded). The Third-Party Administrator is paid $26.59 per member per month. (This payment is reimbursed at 50/50.)

Montana hired an outside entity (Manatt Health Solutions) to help write the required Section 1115 Waiver. Montana indicates there are considerable reporting requirements with the Section 1115 Waiver and a dedicated staff position would be needed for the work associated with the Waiver.

North Dakota does not have a Third Party Administrator for the Medicaid Expansion population, so there would also be an increased need for staffing/contract assistance to assess and collect premiums.