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Community Medicaid Eligibility

Presented by the Evelyn Frank Legal Resources Program

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What is Medicaid?


Who gives it? New York City Human Resources Administration (HRA), with participation from the New York State Department of Health (DOH) and the Federal Centers for Medicare and Medicaid Services (CMS)

Who gets it? New Yorkers of limited means

Eligibility

- ▶ Category
- ▶ Income
- ▶ Resources
- ▶ Immigration Status
- ▶ Residency

What do you get? Comprehensive health insurance coverage, including long-term care services (home care & nursing home)



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Medicaid vs. Medicare


<p>•Medicare</p> <ul style="list-style-type: none"> • No income or resource test, but applicant or spouse must have sufficient work history • Must be age 65 or older, in receipt of SSDI for 2 years, or have ESRD • Covers most medical care, but not long-term care in the community or nursing home 	<p>•Medicaid</p> <ul style="list-style-type: none"> • Must be poor • If poor, can be any age or living situation (although eligibility differs by category) • Covers all medically necessary care, including home care and nursing home
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You CAN have both Medicare AND Medicaid; if so, you're a "dual eligible."

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Medicaid Eligibility Criteria

- Category
 - “Disabled, Aged, Blind” discussed here
- Household
- Income
- Resources
- Immigration Status
- Residency



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CATEGORY



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Why Category?


- Different rules are used to determine eligibility for different categories of people.
- You need to determine the applicant’s Category in order to know:
 - Household Size – whose income is counted?
 - Income Limit
 - Resource Limit
 - Income Disregards / Budgeting
 - Resource Disregards / Budgeting
- Rules for people without Medicare have changed under the Affordable Care Act – commonly called “MAGI” categories



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Categories – Big Changes in 2014 – ACA


1. Certified **Disabled, Aged (65+), and Blind** (“DAB”) – Either:
 - Poor enough to receive SSI (and receive Medicaid automatically) or
 - “SSI-Related” – are disabled and have higher income or resources than SSI allows, but within Medicaid limits, or above Medicaid limits and use “spend down”
 - Medicaid Buy-In for Working People with Disabilities (< 65)- higher income limits
 - Medicaid application, eligibility criteria, procedures remain the same post-ACA
2. Most everyone else is **“MAGI”** in 2014
 - MAGI = Modified Adjusted Gross Income – Using federal tax rules
 - Includes children , parents/grandparents or other “caretaker relatives,” pregnant women, singles and childless couples – most everyone under 65 and not receiving Medicare
 - Also seniors > 65 who do not have Medicare (mostly immigrants)



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Medicaid Rules Unique to DAB

- May use Spend-down & Pooled Trusts
- May use Spousal Refusal
- Resources count – DAB applicants can attest to resources if not seeking long-term care services BUT may as well prove them at application because it can be a hassle to do so when long-term care is needed down the line



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HOUSEHOLD



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Household Size

- You must know the household size to determine the applicable income and resource limits
- Always includes the applicant
- May include other people who live with the applicant, depending upon Category
- Medicaid will count the income (and resources depending on Category) of anyone in the "Household"




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Household Size for DAB


- Applicant lives alone – Household of ONE
- DAB Applicant lives with DAB Spouse –
 - Household of TWO for each spouse
- DAB Applicant lives with spouse < 65/not disabled –
 - Household of ONE for income, but TWO if spouse's income > \$375. HH =TWO for resources.
 - Spouse is MAGI – different rules
- Applicant lives with Spouse who did Spousal Refusal – Household of ONE*

*Remember Spousal Impoverishment budgeting will apply if Applicant enrolls in MLTC



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INCOME



What is Income?

INCOME is any payment received by the Applicant or Recipient ("A/R") from any source. Rules differ by Category. In 2014, the DAB income limit is \$809 (singles) and \$1,192 (couples)

- DAB Income includes:
 - unearned income (Social Security, pension, VA)
 - recurring payments(IRA distribution)
 - a one time payment (inheritance, lawsuit settlement),
 - earned income or

- Gifts are *income* if they are in cash or by check
- "In-kind" payments, such as someone paying the rent directly to the landlord, is NOT income for DAB (As long as the person paying the rent doesn't live with the applicant, or is not "legally responsible")



Common Income Disregards for DAB

- More than half of *earned income* of applicant or spouse is disregarded along with the first \$65/mo.
- Health insurance premiums are deducted
 - Part B (not a deduction if client is in a Medicare Savings Program)
 - Medigap
 - Part D (not a deduction once client is on Medicaid or in an MSP, since "Extra Help" pays premium, at least up to benchmark amount)
- \$20/mo. unearned income disregard
- Interest and dividends not counted at all in month earned, but if saved into next month they become a resource



What is Spend-down?

•If applicant's income is above the Medicaid limits, applicant may qualify for Medicaid by incurring medical bills in an amount that offsets the excess income.


•Spend-down is like an insurance "deductible," but a deductible must usually be met only once a year. The spend-down must be met each month, by incurring medical bills in that month.



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JARGON ALERT!

- Excess Income
- Spend-down
- Surplus




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The amount by which countable income exceeds income limit



Spend-down Strategies


- Ways to ELIMINATE or REDUCE the Spend-down:
 1. For Married applicants – **Spousal Refusal OR Spousal Impoverishment protections** (see next slides)
 2. For Disabled applicants under age 65 – Medicaid Buy-In for Working People with Disabilities (**MBI-WPD**)
 3. Enroll in **Supplemental Needs Trust** – individual trust or pooled trust
 4. If new MLTC applicant was in nursing home > 30 days – use “Housing Disregard”
- Ways to cope with the spend-down once you minimized it – see later slide



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Spousal Refusal

- If one spouse needs Medicaid, and the other spouse's income would cause/increase a spend-down or assets of non-applying spouse would make applicant ineligible for Medicaid, the spouse can sign a “Spousal Refusal.” Medicaid would then treat the applicant as if they were single, and would not count the refusing spouse's income and resources.
- Use the SPOUSAL REFUSAL FORMS in appendix or at <http://wnylc.com/health/download/66/>
- Refusing spouse risks being sued for support by Medicaid program. But if their income is under \$2,931 (2014) and assets are under \$117,240 (2014), it is extremely unlikely that the NYC will pursue recovery.



Spousal Impoverishment - NEW

Spouses of MLTC recipients are now entitled to a "spousal impoverishment" allowance. This is the same that used to be in the LOMBARDI program, but is now available to everyone in MLTC. Here's how it works:

- MARV is in MLTC. His income is \$2000/month. His wife DORIS is not on Medicaid. Her income is \$1273. Before, he had to use a pooled trust for his excess income over \$800, and she had to do a spousal refusal.
- Now, DORIS may keep their combined income up to **\$2,931**.
- MARV may keep **\$383/month** as his personal needs allowance. Total allowed combined is \$3314. They may keep ALL INCOME without any spend-down or spousal refusal.
- ASSETS: Marv may have \$14,400. Doris may have \$74,820



Housing Disregard for MLTC Applicants Leaving Nursing Home

Adult Nursing home residents who are discharged home with MLTC qualify for a higher income limit but:

- must have been in a nursing home for 30 days or more,
- must have had Medicaid pay toward the nursing home care, and
- must NEWLY enroll in a Managed Long Term Care (MLTC) plan
- must have a housing expense

2013 Income Standard is:

- \$1003 in NYC, \$1045 in Long Island
- Use this amount instead of usual \$800/month income limit

Couples may not use this and also use spousal impoverishment

See more at <http://www.wnyc.com/health/entry/114/#housing>



Coping with the Spend-down


Once you've reduced the spend-down as much as possible, here's ways to cope:

- You need to **INCUR** bills that meet the spend-down, don't have to **PAY** them – but MLTC plan may disenroll you for nonpayment of spend-down
- **New applicants can use old bills** to meet spend-down for future months
 - PAID bills can only be used for first 6-months
 - UNPAID bills can be carried forward indefinitely
- **Meet the spend-down each month** with incurred medical bills
 - Home care recipients automatically meet their spend-down each month but are still billed for it, and should consider a pooled trust.
 - Others must submit copies of bills to Medicaid office each month to activate coverage
- **Pay-In** - pay up to 6 months at a time directly to Medicaid program



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RESOURCES



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What are Resources?


- **Resources** include cash or assets that can be readily converted to cash, such as but not limited to:
 - Financial Institution Accounts
 - Life Insurance
 - Stocks, bonds, & mutual fund shares etc
 - One time payments not spent in the month received (inheritance, lawsuit settlement).
- Resources also include property not readily converted to cash (i.e., real property).
- The treatment of resources varies by Category. In 2014, the DAB resource limit is \$14,550 (singles) and \$21,450 (couples)
- Certain INCOME and RESOURCES are disregarded. Always check the Disregards Charts!



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What is the Relationship Between Income & Resources?

- Generally, a payment is “income” in the month it is received. If not spent during that month, and saved into the next month, it becomes a “resource.”
- First of Month Resource Rule – Community Medicaid takes a snapshot of the amount of assets on the 1st minute of the month. If that amount is under the Resource limit, the applicant is eligible. New income received during that month is NOT counted.



Documenting Resources Held in Financial Institutions

- If applicant has various bank accounts and the bank statement indicating the balance on the first of the month of application is not available until later on, have applicant obtain a mid-month computer-generated statement, or print it on the computer.
- TIP: Since checks must clear by the end of month, advise applicants whose balance is near or a little bit above the resource limit to use cashier's checks or money orders to pay any expenses, so money is drawn out of the account right away and can show they are resource eligible on the first of the month of application.



Joint Accounts

- Many clients use joint accounts for convenience or estate planning purposes
- Typically, the money in the joint account was deposited by only one of the joint owners
- Medicaid assumes that ALL of the money in the account belongs to the applicant
- Applicant can rebut the presumption by showing that the other joint owner deposited some/all of the funds



Retirement Accounts

- Retirement accounts include any account that has special tax treatment to encourage saving for retirement
 - IRA
 - 401(k) / 403(b)
 - Keogh
- If a retirement account is in payout status, then the principal is exempt as a resource
- However, the distributions are counted as income



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Transfer Penalty

- There is NO transfer penalty for Community Medicaid (this includes MLTC and Waivers).
- The Transfer Penalty is only for Medicaid coverage of Nursing Home care.
- Look-Back Period
 - 60 months (5 years) before month of application
- Penalty Period
 - Number of months of ineligibility for Medicaid coverage of nursing home stay based on amount transferred

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IMMIGRATION STATUS & RESIDENCY

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Immigration Status


- The following immigration statuses are eligible for Medicaid:
 - U.S. citizens
 - Qualified aliens (no matter what their date of entry into the U.S.), including:
 - Lawful Permanent Residents (aka "Green Card Holders")
 - Conditional entrants
 - Persons paroled into US for at least one year
 - Certain battered aliens, their parents and/or children (if batterer is LPR or citizen and not in household)
 - Refugees and Asylees (including Cuban/Haitian entrants and Amerasian immigrants)
 - Immigrants who have had their deportation withheld
 - Qualified aliens on active duty in the U.S. armed forces, or honorably discharged veterans, their spouses, widows and dependent children
 - Permanently Residing Under Color Of Law (PRUCOL)(in US with knowledge and permission of CIS – some petition is pending)

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Documentation of Citizenship


- The following people are exempt from having to provide proof of citizenship:
 - Pregnant women
 - SSI recipients
 - SSDI recipients
 - Medicare recipients
 - Children in foster care



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Residency

- To be eligible for New York Medicaid, must be a resident of New York State, and of the county in which you apply.
- Medicaid defines “residency” as intent to reside in New York
- If you are approved for Medicaid in one state, that does not automatically transfer to another state.



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MEDICARE SAVINGS PROGRAMS



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Medicare Savings Program

Who gives it? New York City Human Resources Administration (HRA), with participation from the New York State Department of Health (DOH) and the Federal Centers for Medicare and Medicaid Services (CMS)

Who gets it? Medicare beneficiaries with limited income


Eligibility (No asset test)

- ▶ **QMB** – Income below \$973/mo. (single), \$1,311/mo. (couple)

2013 limits

- ▶ **SLMB** – Income below \$1,167/mo. (single), \$1,573/mo. (couple)
- ▶ **QI-1** – Income below \$1,313/mo. (single), \$1,770/mo. (couple), and no Medicaid


What do you get? State pays the Medicare Part B premium, so Social Security check will go up. QMB also covers Medicare deductibles and coinsurance.



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Medicaid and MSP

- You can have both Medicaid and MSP for:
 - QMB
 - SLMB
- You cannot have both QI-1 and Medicaid
- If MSP pays your Part B premium, then your countable income for Medicaid will be increased
 - This could cause clients to have a spend-down, or to have a higher spend-down




Medicaid applications – What’s New?

- **MAGI Medicaid** – all new applications are processed through the new Marketplace – Exchange – can apply online
 - Navigators & certified application counselors can submit applications directly
 - Information is verified electronically using “reasonable compatibility” standard (10% in either direction)
 - Cases referred to the Customer Service Center when more info is needed
- **DAB Medicaid** – Still apply at Medicaid program with paper application, document assets and income. If they apply on Exchange, will be referred back to local Medicaid program.



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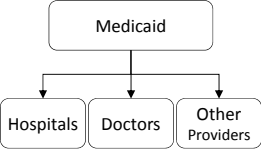
MEDICAID MANAGED CARE



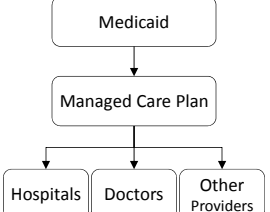
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What is Managed Care?

• Fee-For-Service



• Managed Care






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Different Types of Managed Care

- MEDICARE SERVICES ONLY
 - Medicare Advantage
- MEDICAID SERVICES ONLY
 - Mainstream Medicaid Managed Care (MMC)
 - Managed Long-Term Care –MLTC –(Partial Capitation)
- MEDICARE & MEDICAID SERVICES
 - Medicaid Advantage
 - Medicaid Advantage Plus (MAP)
 - Program of All-inclusive Care for the Elderly (PACE)



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Medicare Advantage

- Medicare only
- Voluntary under Federal law
- Many include Part D prescription drug coverage
- Some are Special Needs Plans (SNP) catered to dual eligibles, but do NOT include Medicaid coverage
- These cover no long-term care services, because Medicare doesn't cover long-term care

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Mainstream Medicaid Managed Care (MMC)

- Medicaid services only
- Most Medicaid recipients in NY are required to enroll
- Few legal exceptions remain
- Dual eligibles are excluded – may not enroll if you have Medicare or if you have a spend-down
- Now includes coverage for Personal Care

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Managed Long-Term Care – MLTC (Partial Capitation)


- Medicaid services only but dual eligibles enroll
- Since September 2012, has been MANDATORY for all dual eligibles receiving or needing Medicaid long-term care services (personal care, CHHA, adult day care, private duty nursing etc.)
 - May choose among MLTC, MAP, or PACE
 - Lombardi recipients had to transfer to MLTC in April 2013
- Includes only Medicaid-covered long-term care services, and some additional services:
 - 4 Specialties – Dental, Optometry, Audiology, & Podiatry
 - Eyeglasses, hearing aides, medical equipment & supplies
- Members can still use Fee-For-Service Medicaid for all other Medicaid-covered services (i.e., doesn't affect choice of doctors)

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Medicaid Advantage


- Medicaid AND Medicare services
- Voluntary
- Includes all Medicare- and Medicaid-covered services EXCEPT Medicaid long-term care (i.e., home care)
- Must receive virtually all services through plan's network
- State wants to make this mandatory for dual eligibles (whether or not receiving long-term care), but can't do it yet
- Dual eligibles already enrolled in Medicare Advantage may be at risk of auto-assignment into Medicaid Advantage



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Medicaid Advantage Plus (MAP)


- Medicare and Medicaid
- Voluntary
- Same as Medicaid Advantage, but includes all long-term care services (it's like Medicaid Advantage + MLTC)
- Includes ALL Medicare- plus Medicaid-covered services
- Must receive all services through the plan's network



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Program of All-inclusive Care for the Elderly (PACE)

- Medicare and Medicaid
- Voluntary
- Includes ALL Medicare- plus Medicaid-covered services (including long-term care)
- Must receive all services through the plan's network



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THANK YOU!



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