

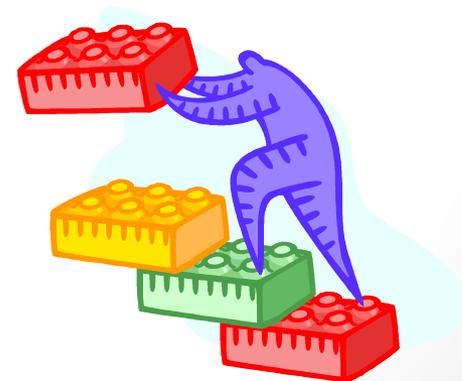
# Medicaid Eligibility in 2014: Understanding MAGI & the Marketplace

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# Today's Agenda

- Eligibility & Enrollment Changes
  - Major changes to Medicaid
  - Federal subsidies for private insurance
  - Online system with automated verification
- Elderly & Disabled Patients
- Immigrants
- A System of Ongoing Builds



# Expanded Medicaid Eligibility



## MAGI\*

- Pregnant Women
- Children
- Parents/Caretaker Relatives
- Childless Adults ages 19 to 64 without Medicare

## Non-MAGI

- 65+ (age as a condition of eligibility)
- Disability (as a condition of eligibility)
- TANF, SSI, Foster Care
- Spend down, MBI, MSP
- Cancer Programs, Former Foster Care
- Residents in adult homes, treatment centers, OMH facilities

# New Medicaid Eligibility Categories

\*MAGI = Modified Adjusted Gross Income from tax return

# New Benefit Categories

- Non-MAGI groups
- All existing Medicaid benefits

## Standard Medicaid

- MAGI groups
- All existing Medicaid benefits except institutional long term care (nursing home)
- Aka “Medicaid benchmark”

## Alternative Benefit Plan

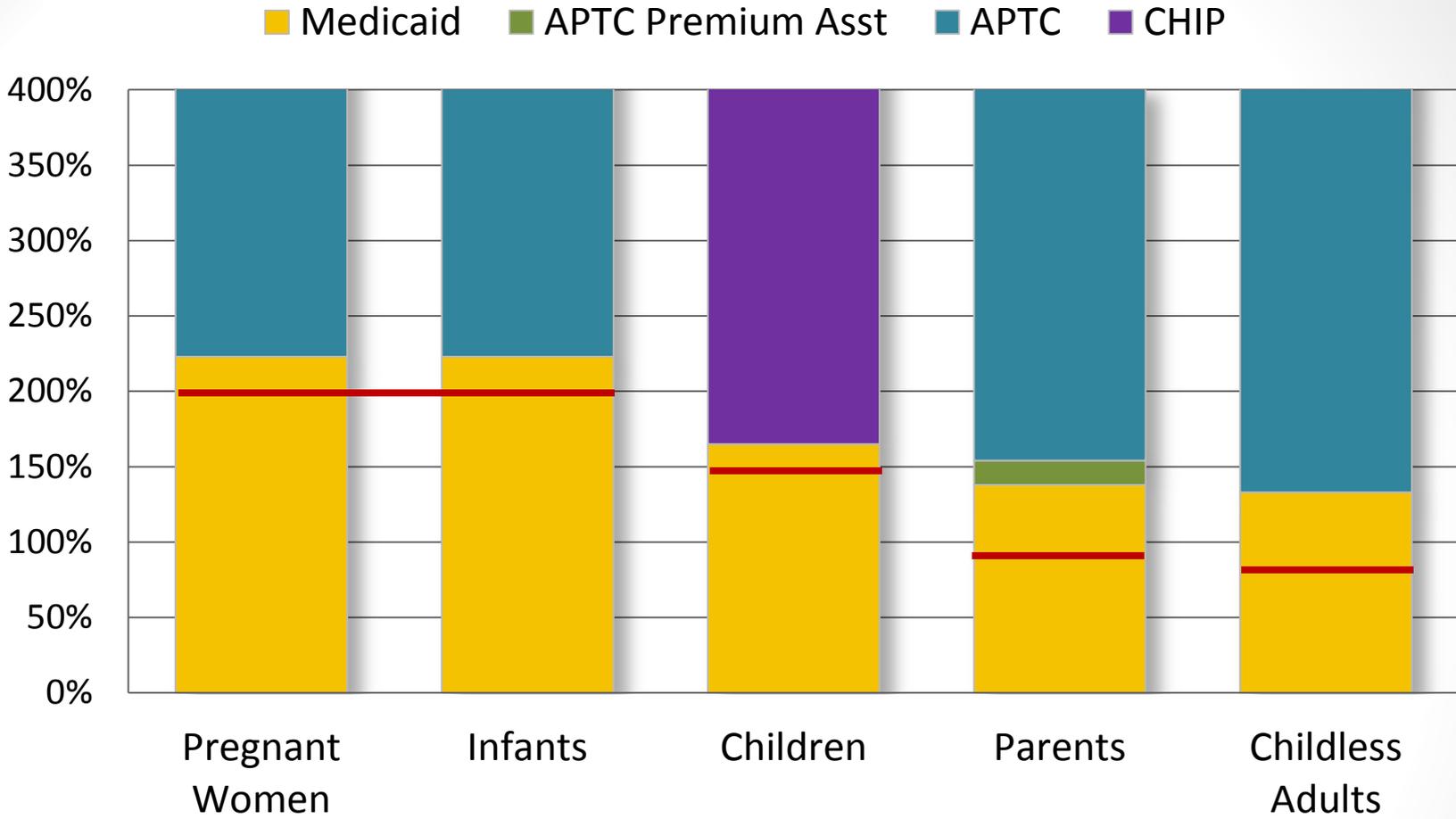
- Option for states to cover people over new Medicaid income levels, but below 200% FPL [not being implemented yet in NYS]
- Essential Health Benefits

## Basic Health Program

# How much income can MAGI groups have?



- New MAGI level is 138% of FPL (133% plus 5% disregard)
  - *Under IRS rules , income from VA, Worker’s Compensation and child support is not counted*
- Levels that were already above 133% (children & pregnant women) are adjusted to preserve average value of existing disregards
- Above 138% and up to 400% of FPL, applicants qualify for Advance Premium Tax Credits (APTC)
- Cost sharing assistance is also available up to 250% of FPL for those that purchase “silver” plans



## MAGI Coverage by Income Level

# Advance Premium Tax Credits

## (for those above Medicaid levels)

- ❑ **APTC = Federal tax credit applied in advance against premiums for private coverage from a Qualified Health Plan (QHP)**
  - ❑ Cost sharing assistance also available in silver plans for families and individuals with income up to 250% FPL
  - ❑ Applicants must file taxes in the year the credit is received
  
- ❑ **QHPs offer “metal” levels of coverage with varying premiums**
  - ❑ Bronze - plan pays 60% of cost
  - ❑ Silver - plan pays 70% (cost sharing reductions apply here)
  - ❑ Gold - plan pays 80%
  - ❑ Platinum - plan pays 90%
  - ❑ Each QHP must offer one silver and one gold plan.

# Whose income will count?



- MAGI household is the IRS filing unit
- Rules on who to count as part of the household depend on whether the applicant is expected to be:
  - a filing taxpayer or
  - a dependent or
  - a non-filer, non-dependent
- Special MAGI rules for Medicaid households:
  - Pregnant women counted as self + number of children expected (quadruplets = household of five), **but only for Medicaid not for APTC or Cost Sharing Reductions**
  - Children in atypical situations use non-filer, non-dependent rules:
    - Children living with relatives who are not their parents
    - Children claimed as dependents by non-custodial parents
    - Children living with both parents, when the parents file separately

# CASE EXAMPLE #1

Cora is a single mother with 2 children, Caleb (4) and Rachel (2). Cora earns \$24,000 a year. She also receives \$4,000 a year in child support and pays \$3,000 per year for child care.

## Current Medicaid Rules

- One household: size is 3
- Income: *Wages \$24,000 and Child Support \$4,000: \$28,000*
- Deductions: *\$90 per month for earnings, \$100 per month of child support, and child care expenses: \$5,280*
- Medicaid Income: \$22,720
- FHP Income: \$28,000
- **Children Medicaid Eligible; Mom eligible for Family Health Plus**

## MAGI Rules

- One household: size is 3
- Total Countable Income: \$24,000
- **All Three Medicaid Eligible**
- NOTE: *If Cora's income was \$5,000 higher annually she would not be eligible for Medicaid, but she would qualify for state assistance with the premium in a sliver level QHP*

# CASE EXAMPLE #2

Sam and Sara have three sons, Fred (22), Frank (17) and Thomas (13). Sam earns \$46,000 a year. Fred is a full time student earning \$10,000 a year.

## Current Medicaid Rules

- Two households: sizes 4 and 1.
- Income: Wages \$46,000 and \$10,000
- Deductions: Earned income disregard of \$90/monthly for both families.
- Medicaid Income: \$44,920 and \$8,920
- FHP/CHP Income: \$46,000 and \$10,000
- **Fred is eligible for FHP. Frank & Thomas are eligible for CHP at \$9 a month. Sam and Sara are not eligible for health insurance.**

## MAGI Rules

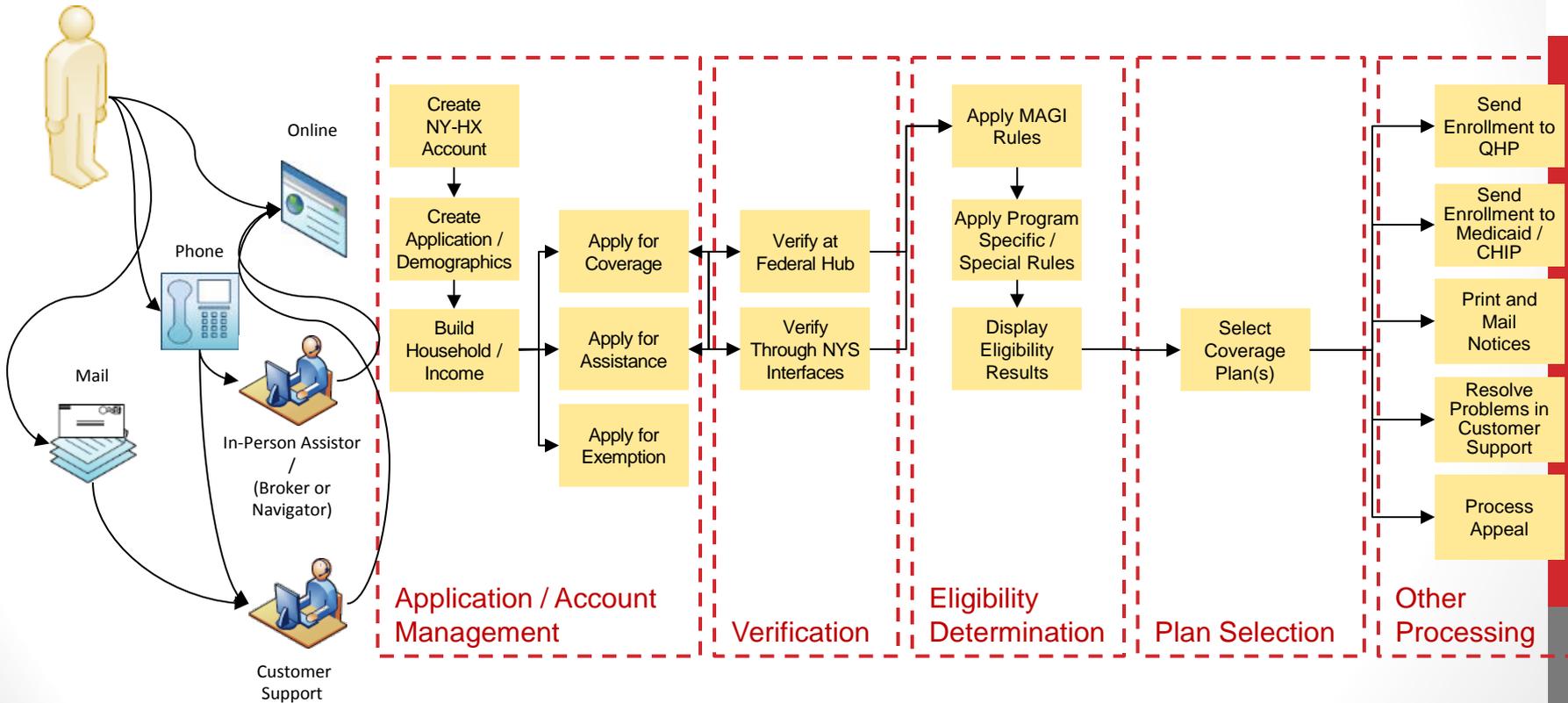
- One household: size is 5 (Sara and all three children are dependents on Sam's tax return)
- Total Countable Income: \$56,000 (Fred's income is included since he is over the tax filing threshold)
- **Sam, Sara and Fred are eligible for APTCs and CSRs. Frank and Thomas are eligible for CHP at \$9 a month.**

# Streamlined Enrollment



# Online Enrollment Experience

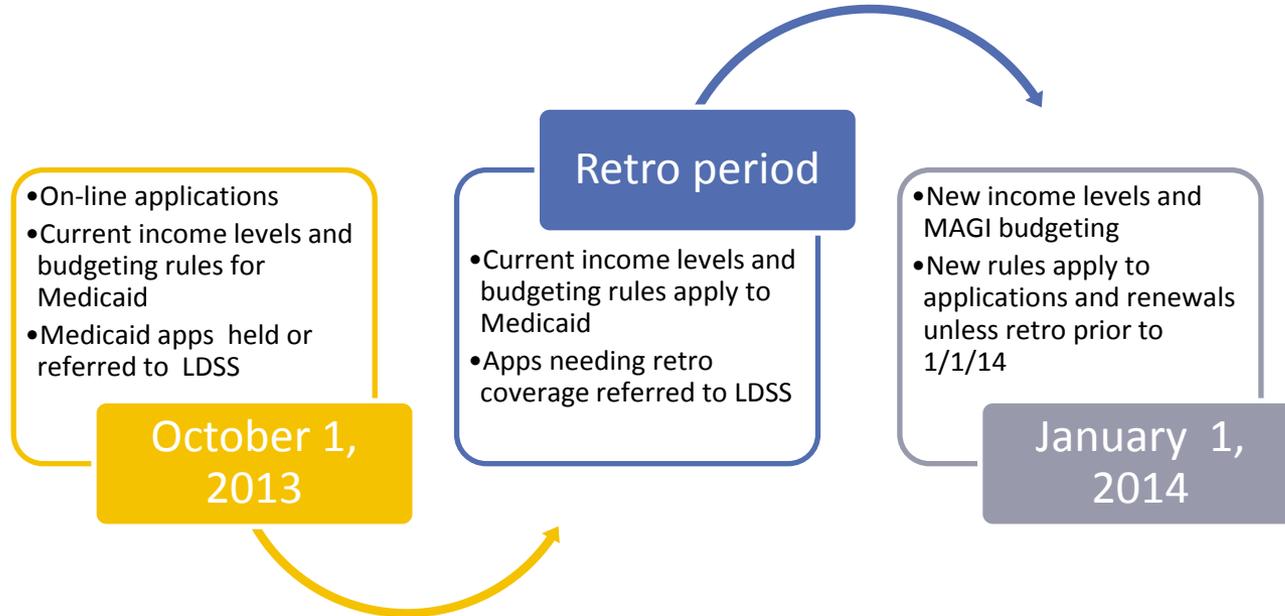
Individual, or Authorized Representative



\*Slide courtesy of NYSDOH 7/5/13

# New Centralized Framework

- All new applications for all coverage options are processed through the new Marketplace
  - 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 information is needed
- Local social service districts (LDSS) will continue to handle current cases post 1/1/2014
  - Includes renewals & dispute resolution for current MAGI cases
  - WMS will have MAGI-like programming operative from 4/1/14 until cases are moved to NY-HIX



# Timeline for Medicaid Changes

# What about the Non-MAGI?



# Non- MAGI

- 65+ (age as a condition of eligibility)
- Disability (as a condition of eligibility)
- TANF, SSI, Foster Care
- Spend down, MBI, MSP
- Cancer Programs, Former Foster Care
- Residents in adult homes, treatment centers, OMH facilities

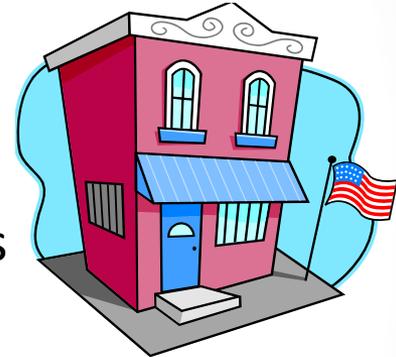
**Most Non-MAGI applicants are  
elderly or disabled**

# No income expansion for Non-MAGI applicants

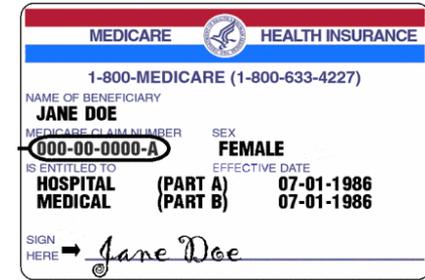
- Existing income and resource levels remain in effect (87% of FPL)
- Existing budgeting rules apply (SSI-related budgeting for elderly and disabled)
- Strategies that help now will still be available
  - Spend down
  - Pooled trusts
  - Medicaid Buy in for Working People with Disabilities
  - Medicare Savings Programs to help those qualifying for Medicare with premiums and cost-sharing

# What is the process like for the Non-MAGI?

- ❑ Non- MAGI applicants are directed to their Local Districts of Social Services (LDSS)
  - ❑ Paper-based applications
  - ❑ Asset test applies
  - ❑ Five year look-back for & transfer penalties apply to those needing institutional care
- ❑ Changes due to Medicaid Redesign
  - ❑ Program to fund assistors for Non-MAGI applicants (coming soon??)
  - ❑ More centralized and administrative renewals
  - ❑ Automation of Medicaid spend down



# Medicare & the Marketplace



- ❑ Applicants who have Medicare will not qualify for federal subsidies to purchase coverage from qualified health plans
  - ❑ unless they have to pay for Part A
  
- ❑ Applicants with Medicare are not eligible for MAGI Medicaid either, unless they are
  - ❑ pregnant,
  - ❑ children, or
  - ❑ relative caretakers
  
- ❑ Generally speaking, people with Medicare don't benefit from using the Marketplace
  - ❑ unless they need MAGI Medicaid and fit the exceptions

# Some Medicaid applicants can choose between MAGI & Non-MAGI

- ❑ Disabled childless adults under age 65 who do not yet have Medicare can apply as MAGI or Non-MAGI
- ❑ Disabled caretakers and children can too, *even if they have Medicare*
- ❑ MAGI Medicaid is better for applicants who have income under 138% of FPL
  - ❑ they can avoid spend down by applying as MAGI (system will put them in MAGI Medicaid automatically)
- ❑ Choice more complicated for applicants with income over 138% of FPL -- the choice is between
  - ❑ Non- MAGI Medicaid w/spend down or
  - ❑ MAGI budgeting for federal subsidies & QHP coverage (QHP does not provide LTC services)

# CASE EXAMPLE #3

Howard is 58 years old and has multiple sclerosis. He receives \$1220 a month in SSD and has \$1300 in savings. He has not yet qualified for Medicare (24 month waiting period).

## Non-MAGI Medicaid Rules

- Howard can apply for disability related Medicaid.
- Household of one with \$20 *per month income deduction (unearned income)*
- Income test: \$1200 is \$400 over the income limit of \$800
- Resource test: \$1300 is within the limit of \$14,400
- **Howard qualifies for Medicaid only after incurring \$400 in medical expenses each month (spend down)**
- Howard could joint a pooled trust to eliminate his spend down

## MAGI Eligible?

- Howard can apply as single adult under 65
- Household of one
- Total Countable Income: \$1220 is under the limit of \$1,322
- **No resource test**
- **The Exchange will automatically determine Howard eligible for MAGI Medicaid with no spend down.**

# CASE EXAMPLE #4

Howard is now 61 and has Medicare . He is receiving the same income (\$1220 monthly in SSD) and the same resources (\$1300 in savings).

## Non-MAGI Medicaid Rules

- Howard has a new income deduction available, the Medicare part B premium (\$104.90 - or he can apply for the Medicare Savings Program to eliminate the premium)
- He can also apply for Extra Help for Medicare Part D assistance.
- He still excess income or spend down of \$295 a month
- **Howard can still joint a pooled trust to eliminate his Medicaid spend down**

## MAGI Eligible?

- Howard cannot apply for MAGI Medicaid as a single adult because he has Medicare
- Howard cannot apply for federal subsidies or purchase QHP coverage because he has Medicare
- NOTE: *If we make Howard a grandfather caregiver, then he can apply for MAGI Medicaid even though he has Medicare*



# What about Immigrants?

# Something to offer for all immigrants

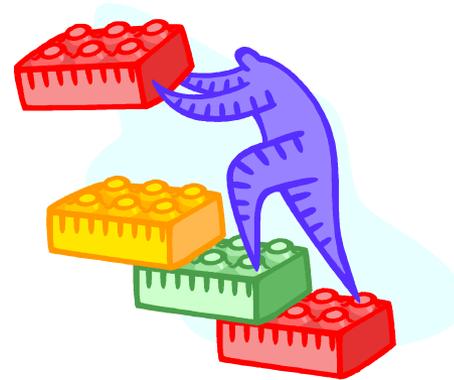
- ❑ Lawfully present immigrants can buy coverage from a QHP and apply for federal subsidies
- ❑ Immigrants “permanently residing under color of law” (PRUCOL) can apply for Medicaid through the Marketplace (unless they are Non-MAGI)
- ❑ Options for undocumented immigrants:
  - ❑ Undocumented children can qualify for Child Health Plus through the Marketplace
  - ❑ Undocumented adults should receive pre-screening for Emergency Medicaid and information about other free or low-cost services through the Marketplace
- ❑ Empire Justice Center’s new Immigration Crosswalk:  
<http://www.empirejustice.org/assets/pdf/publications/reports/health-coverage-crosswalk.pdf>

# What is the immigrant experience?

- ❑ We are still learning about what information is collected & what guidance is provided
  - ❑ Applicants do not have to disclose that they are undocumented – they can check “other”
  - ❑ Applicants do not have to scan in documents but will be asked for their alien or I-94 number
  - ❑ If the federal hub cannot verify status using these numbers, documentation will likely be required
  - ❑ Those without SSNs may have trouble with identity verification
- ❑ We are still learning about the level of expertise at the Customer Service Center (CSC)
- ❑ Online translation still being built, meanwhile the CSC has significant language capacity

# System Builds Beyond 1/1/14

- More Phase I
  - Online Translation Capacity
  - Presumptive Eligibility
  - Current MAGI Cases
- Phase II - Non-MAGI groups
- Phase III – Integration with other benefit programs
  - Cash Assistance
  - Food Stamps



# Resources

- ❑ NY Soc. Serv. Law 366(1), 13 ADM-03
- ❑ Navigators and Certified Application Counselors are receiving training from the state
- ❑ You can also contact us with questions
  - Trilby de Jung [tdejung@empirejustice.org](mailto:tdejung@empirejustice.org)
  - Geoffrey Hale [ghale@empirejustice.org](mailto:ghale@empirejustice.org)
  - Cathy Roberts [croberts@empirejustice.org](mailto:croberts@empirejustice.org)
  - Amanda Gallipeau [agallipeau@empirejustice.org](mailto:agallipeau@empirejustice.org)

# New York State of Health Marketplace

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- ▶ New York State of Health
- ▶ [www.nystateofhealth.ny.gov](http://www.nystateofhealth.ny.gov)
- ▶ State Hotline- 1-855-355-5777
- ▶ Navigators can be found through the NY State of Health website.



# The Numbers in New York

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- ▶ Enrollment numbers for the month of October 2013.
- ▶ 197,011 individuals have completed applications.
- ▶ 12% or approximately 23,600 of those enrolled are eligible for Medicaid/ CHIP.
- ▶ 48,162 Individuals have selected a Marketplace Plan



## Metal Levels for those ineligible for Medicaid

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- ▶ Premium Assistance is still available.
- ▶ **Catastrophic** is available for individuals under age 30. It offers preventive services and three primary care physician visits per year.
- ▶ **Bronze** level plan offers an average actuarial value (AV) of 60/40.
- ▶ **Silver** level plan offers an actuarial value of 70/30.
- ▶ **Gold** has a value of 80/20.
- ▶ **Platinum** has a value of 90/10.



# Consumer Experiences in the Marketplace

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- ▶ The average enrollment takes between 45 minutes to 2 hours.
  - ▶ The amount of time varies due to family size, complexity of income sources, and sophistication of the consumer.
  - ▶ Eligibility determinations are usually made immediately based upon information provided to the Marketplace.
    - ▶ Consumers may be asked to provide additional information to the Marketplace for review. This may delay an eligibility determination.
    - ▶ Consumers who are eligible for non-medicaid coverage choose their plan by comparing plans.



# Comparing Plans

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- ▶ All plans on the Exchange have approved benefit packages, which include at a minimum 10 essential benefits.
  - ▶ 1- Care at a Doctor's Office; 2- Emergency Services; 3- Hospital Care; 4- Pregnant Mother & Baby Care; 5- Mental Health & Addiction Treatment; 6- Prescription Drugs; 7- Rehab & Skill Development Services & Devices; 8- Lab Services; 9- Prevention & Wellness Services & Long-lasting disease Management; 10- Dental & Vision for children.
- ▶ Consumers can compare by Premium Costs, Copays/Deductibles, Provider Networks, and Maximum Out of Pocket Costs.
- ▶ Plans available on the NYSOH Marketplace are determined by geography, and premiums for these plans vary from county to county.



# Deadlines

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- ▶ In order to have a plan start on January 1, 2014 consumers must submit an application and enroll in a plan by December 15, 2013.
- ▶ Each month thereafter is on a rolling basis.
  - ▶ If a consumer enrolls between the 1<sup>st</sup> and the 15<sup>th</sup> of the month, their plan will begin the first of the next month.
    - ▶ E.g., A consumer enrolls on January 3<sup>rd</sup>, their plan will start February 1<sup>st</sup>.
  - ▶ If a consumer enrolls between the 16<sup>th</sup> and the 30<sup>th</sup>/31<sup>st</sup> of the month, their plan will begin on the first of the second month.
    - ▶ E.g., A consumer enrolls on January 25<sup>th</sup>, their plan will start March 1<sup>st</sup>.
- ▶ Consumers must enroll in a plan by March 31<sup>st</sup>, 2014 or they will have to wait until January 1, 2015, barring special circumstances.
  - ▶ Consumers are eligible to enroll in Medicaid and CHIP plans year round.



# When should a consumer file a Paper Medicaid Application?

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- ▶ **Some clients should still file applications with the Local Department of Human Services.**
    - ▶ Medicare Savings Program
    - ▶ Medicaid as secondary to Medicare.
    - ▶ Individuals eligible for the Medicaid Buy-In Program for Working People with Disabilities.
    - ▶ Individuals who would like their eligibility determined under the Excess-Income Program.
    - ▶ Long Term Managed Care Medicaid Programs.
    - ▶ Chronic Care Medicaid Programs.
    - ▶ Parents who may still be eligible under Family Health Plus income guidelines.
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