Health Care Benefits

Poverty Law - Fall 2024
Prof. Brianna Boone

Health Insurance Programs in Minnesota

- Medical Assistance (Medicaid)

- MinnesotaCare

- Medicare

Medicaid

- Federal program that provides health coverage to eligible low-income adults, children, pregnant women, elderly adults and people with disabilities
- Administered by states according to federal requirements
- Jointly funded by states and federal government
- In some states, cannot qualify on income alone – must also meet a categorical eligibility category
- In states that expanded Medicaid, can qualify on income alone
- Minnesota has expanded Medicaid coverage

Medical Assistance

- Minnesota’s Medicaid program
- Health Insurance Program for people with low-income.
- Covers medical, mental health, dental, eye care that is “medically necessary”
- Some recipients with disabilities may receive in-home care services and supports and long-term care (waivered services)
- Coverage can be retroactive up to 3 months prior to the month of application

Children's Health Insurance Program (CHIPS)

- Minnesota uses CHIP funds to expand the state’s Medicaid program (Medical Assistance).
- Federal CHIP funds are used in Minnesota to provide coverage for the following categories:
  - Infants under age 2 with income above 275 percent up to 283 percent FPG
  - Pregnant women ineligible for Medicaid with income up to 278 percent FPG
  - Children on Medicaid with income above 133 percent and below 275 percent FPG
- The application and other eligibility criteria are identical
- Applicants only need to apply for Medical Assistance (MA)

MA Costs

- No monthly premium
- There are no deductibles or copays for:
  - Children under 21
  - Pregnant women
  - People in nursing homes or ICF-DDs
  - People receiving hospice care
  - Refugees who have coverage through the Refugee Medical Assistance program
  - People enrolled in the MA Breast and Cervical Cancer program
  - American Indians who have ever received care from Indian Health Services
- Some adults have the following deductible and copays:
  - $2.95 monthly deductible
  - $3 copay for non preventative visits (no copay for mental health visits)
  - $3 or $1 copay for prescription drugs up to $12 per month (no copay on some mental health drugs)
  - $3.50 copay on non emergency ER visits
- Monthly copays and deductibles are limited to 5 percent of family income.

MinnesotaCare

- Provides health coverage to low income Minnesotans whose income is too high to qualify for MA
- Mostly state-fund, some federal funding
- Most adults recipients must pay a monthly premium which is based on family's income
    - There are no premiums for children under 21
- Max co-pays and deductibles for adults > 21
    - $7 for generic prescription drugs and $25 for brand-name drugs
    - $25 for non preventive office visits
    - $75 for an emergency room visit
- Coverage is basically identical to MA

Eligibility for MA and MinnesotaCare

Medical Assistance

- Income and asset limits depend on categorical eligibility
  - Age
  - Disability
  - Pregnancy
  - Who you live with
- Eligibility basis could vary between household members; no "units" like with other benefits

Income Limits

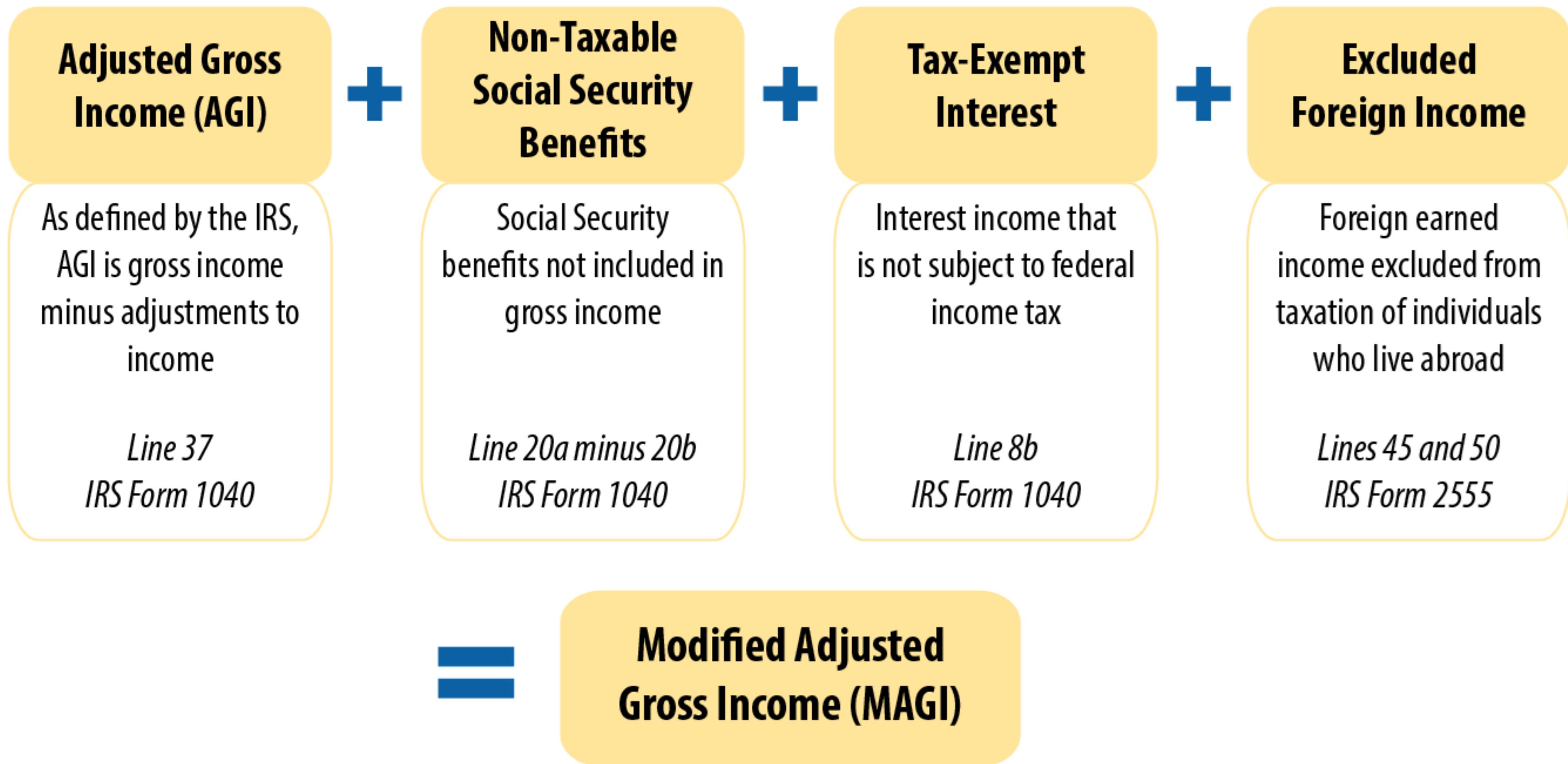
MA Eligibility Categories	
Infants 2 and under	283% FPG
Children ages 2 - 18	275% FPG
Pregnant Women + 12 months postpartum	278% FPG
Children ages 19 - 20	133% FPG
Adults with Minors (18 & under)	133% FPG
Adults without Kids	133% FPG
Disabled or Blind Adults (18 to 64)	100% FPG
Adults 65 or Older	100% FPG

Income Limits - Household of 1

MA Eligibility Categories	
Infants 2 and under	$3,551
Children ages 2 - 18	$3,451
Pregnant Women + 12 months postpartum	$4,735 (treated as a household of 2)
Children ages 19 - 20	$1,669
Adults with Minors (18 & under)	$1,669
Adults without Kids	$1,669
Disabled or Blind Adults (18 to 64)	$1,255
Adults 65 or Older	$1,255

MAGI Methodology

- Modified Adjusted Gross Income (MAGI)
- Federal Tax Term and Calculation used to calculate income eligibility for Medicaid and CHIPS funded MA (all categories except Elderly, Blind, Disabled adults)
- For most taxpayers the MAGI is the same as adjusted gross income (AGI)
  - Line 11 on Form 1040



An applicant's most recent tax return can be useful in estimating income if their income has not changed. If a tax return is not available, or if income is different for any reason, the tax return can still be a useful list of what income and adjustments to include.

Income Calculation Methodology

MA Eligibility Categories	
Infants 2 and under	MAGI
Children ages 2 - 18	MAGI
Pregnant Women + 12 months postpartum	MAGI
Children ages 19 - 20	MAGI
Adults with Minors (18 & under)	MAGI
Adults without Kids	MAGI
Disabled or Blind Adults (18 to 64)	SSI
Adults 65 or Older	SSI

Assets

MA Eligibility Categories	
Infants 2 and under	No Asset Test
Children ages 2 - 18	No Asset Test
Pregnant Women + 12 months postpartum	No Asset Test
Children ages 19 - 20	No Asset Test
Adults with Minors (18 & under)	No Asset Test
Adults without Kids	No Asset Test
Disabled or Blind Adults (18 to 64)	$3,000 for a single person • $6,000 for household of two, plus $200 for each dependent
Adults 65 or Older	$3,000 for a single person • $6,000 for household of two, plus $200 for each dependent

Medical Assistance – Elderly, Disabled, or Blind

- Elderly = 65 or older
- Disability determinations are made by:
  - the Social Security Administration, or
  - State Medical Review Team (SMRT)

Spenddown

- Applies to recipients who are "Elderly, Blind, or Disabled" who are over the prescribed income limit
- Also applies to a biological parent, caretaker relative, pregnant person, or child basis of eligibility who are over the prescribed income limit

- Spenddown allows people to become income eligible by "spending down" their excess income to the spenddown standard. The person's excess income is reduced by the amount of certain incurred health care expenses.

- Similar to a "deductible"

    - Have to pay some of your medical expenses each month before MA will start paying for the rest

Minn. Stat., 256B.056, subd. 5

Medical Assistance: Assets

***Parents and caretaker relatives eligible for MA with a spenddown have the following asset limits:

- $10,000 asset limit for a household of one
- $20,000 for a household of two or more

Spenddown Example

- Franklin has a $400 monthly spenddown. In April, he has $700 in medical expenses. Franklin is responsible for paying the first $400 and MA will pay the remaining $300.

- In May, Franklin has only $50 in medical bills. He has to pay that $50 himself, but he doesn’t have to pay the whole $400 spenddown amount for May. MA will not pay for any medical expenses in May (but he will remain eligible).

Multiple Eligibility Categories

- People may have more than one basis of eligibility for MA
- A person’s countable income and asset limits, cost sharing, service delivery options, and benefits **may differ** depending on the eligibility basis used
- The county, tribal or state servicing agency must allow a person with multiple bases of eligibility to have eligibility determined under **the basis that best meets their needs**

Medical Assistance for Employed Persons with Disabilities

To qualify for MA-EPD, a person must:

- Be certified disabled by the Social Security Administration (SSA) or the State Medical Review Team (SMRT)
- Have monthly earnings of more than $65 (there is no upper income limit)
- Be employed and have Social Security and Medicare (FICA) taxes withheld or paid from earned income
- Meet the MA-EPD asset limit of $20,000 per enrollee
- Pay a premium and an unearned income obligation, if required

MinnesotaCare

- Income limits = 200% FPG
- No Asset Test
- Ineligible for MinnesotaCare coverage if you can get or are enrolled in certain types of coverage
- If eligible for other insurance, must apply to see whether you qualify
- Available for a broader category of immigrant populations than MA - common example: individuals with asylum application pending > six months

Processing and Appeals

- Processing deadlines:
  - 15 working days for a pregnant person
  - 60 days for people requesting an MA eligibility determination under a disability basis of eligibility
  - 45 days for all other applicants
- Denials can be appealed within 30 days via the DHS Fair Hearing process
- Can get MA retroactive coverage up to three months prior to date of application
- MinnesotaCare coverage begins the first day of the month following eligibility determination

Medicare

- If you work enough time and pay Medicare taxes, you qualify for Medicare when you:
  - Turn age 65;
  - Receive Social Security Disability Insurance (SSDI) for 24 months; or
  - Diagnosed with Lou Gehrig’s disease/ALS or end-stage kidney disease.

Medicare

- **Part A** - Hospital/InPatient
- **Part B** - Outpatient medical care
  - Monthly Premium = $174.70
- **Part D** - Prescription Drug Coverage
  - Through a private insurance plan
  - May include a monthly premium

- **Medicare Advantage Plan (Part C)**: A private company offers a policy that combines the benefits offered by Part A, Part B, and Part D into a single plan.
  - Co-Pays, Deductibles, and premiums depend on the plan

Dual Eligibles

- Eligible for both Medicare and Medical Assistance (Medicaid)
- Medicare is the primary insurer
- Medical Assistance is the secondary insurer
- Prescription drug insurance is covered through Medicare Part D
- Medicaid covers the Medicare premiums, deductible and co-pays (Medicare Savings Plans)

Medicare Savings Plans

- **Qualified Medicare Beneficiary (QMB):** The QMB program helps to pay the monthly premiums for Medicare Part A and Part B, share of costs, coinsurance, and deductibles. The income limit is 100% of the Federal Poverty Level (FPL), plus a $20 disregard. A single applicant can have income up to $1,275 / month and a couple can have up to $1,724/ month. The asset limit for a single applicant is $10,000, and the limit for a couple is $18,000.
- **Specified Low Income Medicare Beneficiary (SLMB):** The SLMB program helps pay the premium for Medicare Part B. The income limit is 120% of the FPL, plus an additional $20 that is disregarded. An individual can have monthly income up to $1,526 and a couple can have up to $2,064 The asset limit for a single applicant is $10,000, and the limit for a couple is $18,000.
- **Qualifying Individual (QI):**The QI program, also called Qualified Individual, helps pay the monthly premium for Medicare Part B. The income limit is 135% of the FPL, plus a $20 disregard. A single applicant can have income up to $1,715 / month, and couples, up to $2,321 / month. The asset limit for a single applicant is $10,000, and the limit for a couple is $18,000.

Where to Apply

Program	Where to Apply
MA, MinnesotaCare, & MA-EPD	County Agency or MNSure
Medicare	Social Security Administration
Medicare Savings Plans	County Agency

Medical Assistance: Covered Services

Covered Services – Minn. R. 9505.0210

To be eligible for payment, a health service must:

A) be determined by prevailing community standards or customary practice and usage to:
   (1) be medically necessary;
   (2) be appropriate and effective for the medical needs of the recipient;
   (3) meet quality and timeliness standards;
   (4) be the most cost-effective health service available for the medical needs of the recipient;
A) represent an effective and appropriate use of medical assistance funds;
B) be within the service limits specified in parts 9505.0170 to 9505.0475;
C) be personally furnished by a provider except as specifically authorized in parts 9505.0170 to 9505.0475; and
D) if provided for a recipient residing in a long-term care facility, be part of the recipient's written plan of care, unless the service is for an emergency, included in the facility's per diem rate, or ordered in writing by the recipient's attending physician.

Covered

Not Covered

- Alcohol and drug treatment
- Chiropractic care
- Dental care (limited for non-pregnant adults)
- Doctor and clinic visits
- Emergency room (ER) care
- Eyeglasses
- Family planning services
- Hearing aids
- Home care
- Hospice care
- Hospital services (inpatient and outpatient)
- Immunizations and vaccines
- Interpreter services
- Lab and X-ray services
- Licensed birth center services
- Medical equipment and supplies
- Medical transportation (access, ambulance and special)
- Mental health care
- Nursing homes and intermediate care facilities for people with developmental disabilities ICF-DD
- Outpatient surgery
- Prescriptions and medication therapy management
- Rehabilitative therapy
- Urgent care
- Gender-affirming services

- Artificial ways to become pregnant, including in vitro fertilization and fertility drugs
- Autopsy
- Cosmetic surgery
- Dental services deemed to be cosmetic or not medically necessary
- Gender-reassignment surgery
- Investigational or experimental medications or devices
- Medical cannabis
- Medications used for weight loss or erectile dysfunction
- Missed appointments
- Vocational or educational services
- Abortions that are not medically necessary

Minn. R. 9505.0220
Minn. Stat. 256B.0625

Medically Necessary – Minn. R. 9505.0175, subp. 25

- "Medically necessary" or "medical necessity" means a health service that is consistent with the recipient's diagnosis or condition and:
    A. is recognized as the prevailing standard or current practice by the provider's peer group; and
    B. is rendered in response to a life threatening condition or pain; or to treat an injury, illness, or infection; or to treat a condition that could result in physical or mental disability; or to care for the mother and child through the maternity period; or to achieve a level of physical or mental function consistent with prevailing community standards for diagnosis or condition; or
    C. is a preventive health service under part 9505.0355.

Example 1: Circumcision

"Circumcision is not covered unless the procedure is medically necessary." Minn. Stat. 256B.0652

Fatma has a two-year-old son, Abdi. Fatma's family is Muslim, and their religious customs require Abdi to be circumcised.

When Abdi was a newborn, he was very sick and was not able to receive a circumcision due to his health. A newborn circumcision would have cost her $200 out-of-pocket at CUHCC.

Now that Abdi is two, a circumcision will cost her at least $5,500.

Abdi has Medical Assistance. Fatma wants to know if she can get MA to cover the circumcision for Abdi.

Example 2: New Dentures

Jane has Medical Assistance. She received a set of removable upper and lower dentures in September 2022.

Jane feels she needs new dentures because they are significantly worn down in some spots to the point where she can barely chew food. Her mouth is in a lot of pain due to the state of the dentures, and friends tell her that her mouth looks droopy.

Jane’s dentist submitted a request for prior authorization for new dentures to DHS. The request was denied because Minn. R. 9505.0270 only allows replacement every three years.

Reviewing Minn. R. 9505.0270, What would Jane and her doctor need to prove for MA to pay for a new set of dentures?

Choice of Provider and Out-of-State Service Providers

- “A recipient who requires a medically necessary health service may choose to use any provider located within Minnesota or within the recipient's local trade area” Minn. R. 9505.0190
- Out-of-state services are eligible for payment if:

  A. The service must be a covered service as defined in part 9505.0175, subpart 6.

  B. The provider must obtain prior authorization

  C. The service must meet one of the following conditions:

  (1) the department determines, on the basis of medical advice from a consultant as defined in part 9505.5005, subpart 3, that the service is not available in Minnesota or the recipient's local trade area;

  (2) the service is in response to an emergency; or

  (3) the service is needed because the recipient's health would be endangered if the recipient was required to return to Minnesota.

Appeals

- Denials of service can be appealed
- Must appeal within 30 days of decision via DHS Fair Hearing
    - If receiving MA through managed care, need to appeal denial through insurer first and they must provide a response within 30 days

MA-Waiver Programs

What are MA-Waiver Programs?

- Provide services paid for by MA that help people with disabilities live in the community rather than an institution
- Must qualify for disability-based MA to enroll in a waiver program

Types of Waiver Programs

- Community Alternative Care (CAC): serves people with disabilities who need the level of care normally provided in a hospital
- Community Access for Disability Inclusion (CADI): serves people with disabilities who need the level of care normally provided in a nursing facility
- Development Disabilities (DD): serves people with developmental disabilities or related conditions who need the level of care normally provided in an Intermediate care facility for persons with developmental disabilities
- Brain Injury (BI): provides services to people with a documented brain injury who need neurobehavioral hospital or nursing facility level of care.

Eligibility Guidelines

- To qualify for a MA-Waiver program, the services must:
  - Be necessary to protect your health and safety
  - Help develop or maintain skills you need in your daily life
  - Best meet your desires, interests, and needs (after considering all available options)
  - Help you avoid institutionalization or help you function with greater independence in the community
  - Not be paid for by any other source, including private health coverage, Medicare, standard Medical Assistance (MA), education services, or Vocational Rehabilitation. If you can access the same service offered by a MA-Waiver program elsewhere, you have to access it elsewhere

Eligibility Criteria

- Qualify for disability-based MA
- Certified disabled by SSA or SMRT
- Meet age requirements
  - DD – enroll at any age but diagnosed prior to age 22
  - CAC, CADI, or BI – must be under age 65
- Complete a MnCHOICES assessment through county
- Need support and services beyond those provided under standard MA
- Live in the community
- Meet eligibility criteria for specific waiver program

MnCHOICES Assessment

- The only way to get onto a waiver program in MN
  - Requested via county – most counties have a phone number to call
- Completed through county, usually by a public health nurse in your home
- Assessors use the MnCHOICES assessment tool to determine program and service eligibility
- After the assessment the individual will receive a Notice of Action which includes:
  - a summary of the assessment and programs they may be eligible for
  - a written plan that summarizes care need and options for services and supports in community
- Must be scheduled within 20 days of requesting; results must be provided within 45-60 days
- Reassessments conducted annually and may result in a change in services

Case Management and Support Plans

- All individuals on a waiver program must be provided case management services
- Individual and the case manager create a community support plan (CSP) which identifies specific services and how they will be provided
- Common services:
  - Personal Care Attendant (number of hours is determined via MnCHOICES assessment)
  - Homemaker services
  - In-home nursing
  - Independent Living Skills
  - Job training

PCA Services

- Common source of income for low-income families that include individuals with disabilities who are eligible for waiver programs
- Allows a family member to get paid for assisting individual with disability with activities of daily living (ADLs)
- This income is excluded as countable income for SSI if the services are for the benefit of the SSI recipient
  - Not excluded for MFIP or SNAP
- Decreases in available PCA hours in reassessments can have a huge impact on families

Appeals

- Individuals have the right to appeal the results of a MnCHOICES assessment or reassessment; or any change to services
- Appeal must be filed within 30 days via the DHS Fair Hearing process