

Health Care Benefits

Poverty Law I - Fall 2023
Prof. Meghan Scully

Health Insurance Programs

- Medicaid/Medical Assistance
- Children's Health Insurance Program (CHIPs)
- MinnesotaCare
- Medicare

Medical Assistance: What is it?

- Health Insurance Program for people with low-income.
- Covers medical, mental health, dental, eye care that is “medically necessary.”
- Some recipients may receive in-home care services and supports and long-term care
- 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 generally identical.
- Applicants only need to apply for Medical Assistance (MA) to be considered for either program.

Medical Assistance

- Income and Asset limits depend on
 - Age,
 - Disability,
 - Pregnancy,
 - Who you live with

Medical Assistance: 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

Medical Assistance: Income Limits - Household of 1

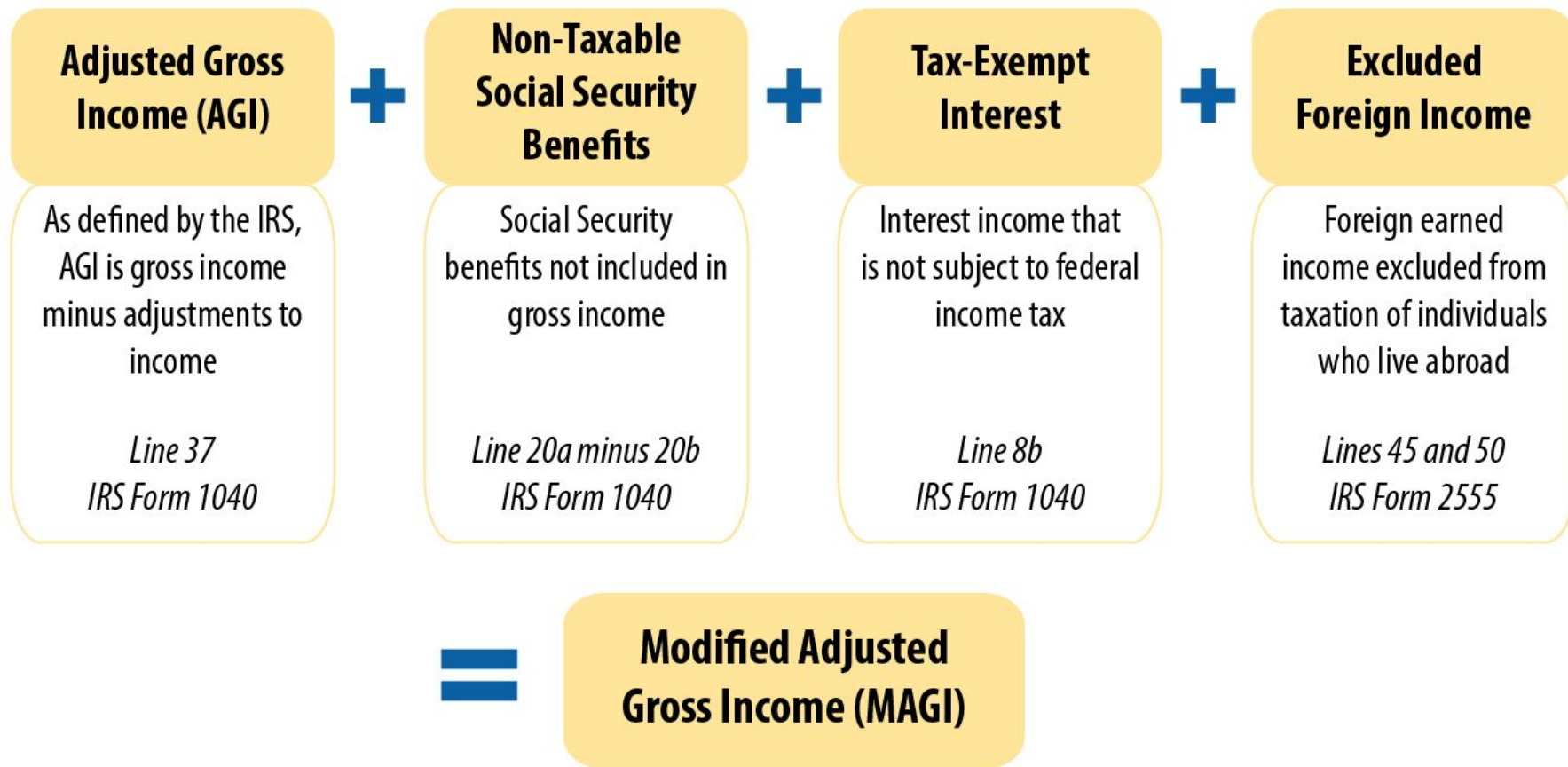
MA Eligibility Categories	
Infants 2 and under	\$3,204
Children ages 2 - 18	\$3,114
Pregnant Women + 12 months postpartum	\$4,241 (household of 2)
Children ages 19 - 20	\$1,506
Adults with Minors (18 & under)	\$1,506
Adults without Kids	\$1,506
Disabled or Blind Adults (18 to 64)	\$1,333
Adults 65 or Older	\$1,333

Medical Assistance: 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

Medical Assistance: MAGI Methodology

- Modified Adjusted Gross Income (MAGI)
- Federal Tax Term and Calculation used to calculate income eligibility for Medicaid and Children's Health Insurance Program (CHIPs)
- 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.

Medical Assistance: 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: 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

Medical Assistance - Disabled or Blind

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

Medical Assistance Spenddown

- Applies to recipients who are “Age, Blind, or Disabled” or a parent, caretaker relative, pregnant person or child basis of eligibility who are over income.
- Spenddown allows people to become income eligible for MA 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”.

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

Medical Assistance 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.

Multiple Eligibility Categories

- People may have more than one basis of eligibility.
- A person's countable income, 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
- Co-Pays and deductibles for adults > 21 (based on income)
 - \$7 for generic prescription drugs and \$25 for brand-name drugs
 - \$25 for nonpreventive office visits
 - \$75 for an emergency room visit
- 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.

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 = \$170.10
- **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 Medicaid
- Medicare is the primary insurer
- Medicaid 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 \$1,153 / month and a couple can have up to \$1,546 / 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 \$1,379 and a couple can have up to \$1,851. 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 \$1,549 / month, and couples, up to \$2,080 / month. The asset limit for a single applicant is \$10,000, and the limit for a couple is \$18,000.

Medicare Penalties

Most individuals who do not sign up for Medicare during their “initial enrollment period” will be assessed a penalty if they enroll later

	Part A	Part B	Part D
<u>Penalty</u>	Monthly premium increase by 10%	Monthly premium increases by 10% for each year	1% for each month
<u>Time</u>	2x the number of years you did not sign up	Permanently	Permanently

* No penalty if you have other coverage, other than Medicaid, that is similar in value to Medicare.

Where to Apply

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