

January 29, 2014

Medicare Transitions: Medicaid Expansion to Medicare

Kevin Prindiville, Executive Director
National Senior Citizens Law Center



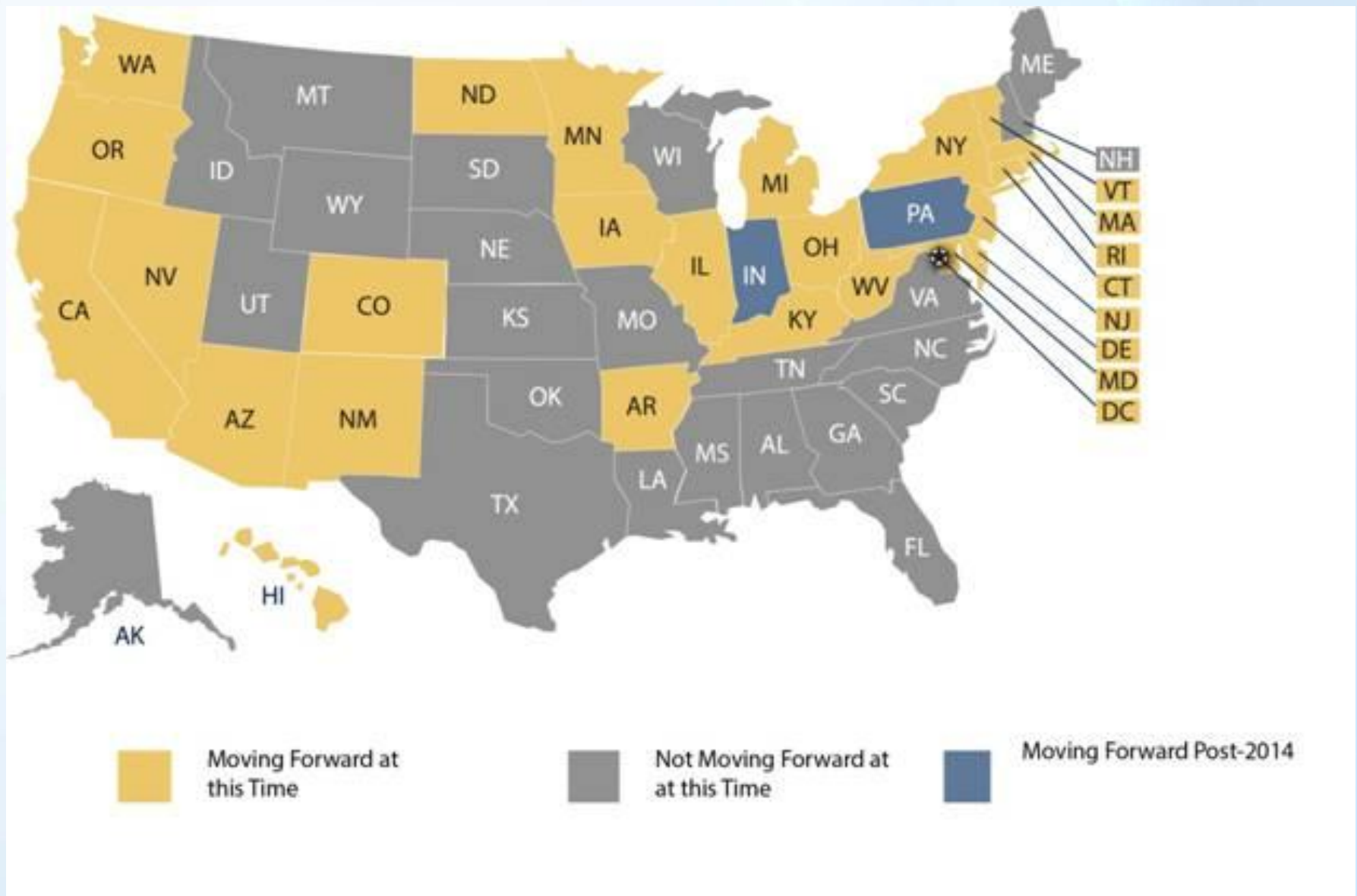
The National Senior Citizens Law Center is a non-profit organization whose principal mission is to protect the rights of low-income older adults. Through advocacy, litigation, and the education and counseling of local advocates, we seek to ensure the health and economic security of those with limited income and resources, and access to the courts for all. For more information, visit our Web site at www.NSCLC.org.

Medicaid Expansion is good

- Medicaid expansion = good
- New transition issues for people as they turn 65 or otherwise become Medicare eligible
 - Income gap
 - Resource gap
 - Benefit gap
 - Affordability gap

Medicaid Expansion Basics

- Medicaid coverage extended to:
 - Up to 64 years old
 - 138% of federal poverty level; no asset test
 - Modified Adjusted Gross Income
- Benefit package:
 - Alternative benefit package or traditional Medicaid
- Only in states that exercise the option



<http://kff.org/medicaid/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/#map>

Traditional Medicaid Basics (A&D)

- A&D Medicaid eligibility:
 - 65 and over or person with disability
 - Income levels vary by state; federal rules for counting income with some state flexibility
 - Resource limit of \$2k for individual
- Benefit package:
 - Required federal benefits; many state optional benefits
- All states have Medicaid coverage for this group

Medicare Savings Programs & Low Income Subsidy

- QMB
 - Covers all Medicare A&B cost sharing
 - Income: 100%; Assets: 7,080 for individual
- SLMB & QI
 - Covers Medicare Part B premiums
 - SLMB Income: 120%; QI Income: 135%; Same assets
- Low Income Subsidy
 - Full to partial coverage of Part D premiums and co-pays
 - Income: 100-150%; Same assets

Losing Medicaid Expansion Coverage

- Will the beneficiary qualify for traditional Medicaid
 - Will benefit package be as good as they had under Medicaid expansion?
- Will the beneficiary qualify for MSP and LIS?
 - Will cost-sharing and benefit package be as good as they had under Medicaid expansion?
- Or are they left with just Medicare coverage?
 - Will cost-sharing and benefit package be as good as they had under Medicaid expansion?

Transition: Income Gap

Issue: Once an individual qualifies for Medicare, she must meet traditional Medicaid income guidelines.

Example: Ms. Garcia has a \$1,300 employee pension. At 64, she qualifies for Medicaid under expansion limits. At 65, her income is too high for traditional Medicaid.

Transition: Income Gap

Assistance: Ms. Garcia will need...

- Screening for alternative Medicaid programs with higher income limits, including Medicare Savings Programs
- Identifying appropriate deductions that reduce countable income
- Screening for eligibility for Part D Low Income Subsidy

Medicare beneficiaries have to have lower incomes to get Medicaid

Transition: Resource Gap

Issue: Once an individual qualifies for Medicare, she must meet traditional Medicaid asset/resource limits.

Example: Mr. Hsiao has income (Social Security) of \$945.00 and \$6,500 in savings. At 64, he is eligible for Medicaid. At 65, his resources count and he is not eligible.

Transition: Resource Gap

Assistance: Mr. Hsiao will need...

- Screening for MSP and LIS
- Adequate education & notice of what traditional Medicaid limits are and the rules on transfers of assets.
- Low-cost counseling and legal advice so he does not inadvertently disqualify himself from Medicaid program.

Medicare beneficiaries have to have lower resources to get Medicaid

Transition: Benefit Gap

Issue: The Alternative Benefit Package is only available to those in the Medicaid expansion population and may be more generous than Medicare or traditional Medicaid.

Example: Mr. Jones becomes eligible for Medicare and loses Medicaid expansion coverage. Mr. Jones qualifies for traditional Medicaid, but his coverage now does not include substance use treatment – a benefit that was part of the ABP he had when he was in the expansion population.

Transition: Benefit Gap

Assistance: Mr. Jones will need...

- Help identifying alternative sources for substance abuse treatment help— if any is available.

Medicare beneficiaries may have a worse benefit than those on Medicaid expansion

Transition: Affordability Gap

Issue: Coverage under the Medicaid expansion may be more affordable than for Medicare.

Example: Ms. Thomas is 64 and qualified for Medicaid expansion paying little or no premiums or cost sharing. She turns 65 and obtains Medicare, but has income above MSP limits. She must now pay \$104.90 for Part B premium and \$147 per year for her deductible & 20% co-pays. She also enrolls in Part D and is responsible for premiums, deductible and co-pays.

Transition: Affordability Gap

Assistance: Mr. Jones will need...

- Help identifying alternative Medicaid programs with higher income limits, if available.

Medicare beneficiaries may pay more for coverage than they did before qualifying for Medicare

Fixes

- Short term:
 - Screening
 - Education
 - Counseling
- Long Term
 - Create parity between Medicaid and traditional expansion eligibility rules
 - Raise MSP and LIS eligibility levels, especially QMB

Additional Information

- NSCLC: www.nsclc.org
 - Issue Brief: Medicaid Expansion in California: Opportunities and Challenges for Older Adults and People with Disabilities.
- Medicare Rights Center: www.medicarerights.org
 - Issue Brief: A Bridge to Health: Ensuring Seamless Transitions from Health Insurance Exchanges and Medicaid to Medicare
- Center for Medicare Advocacy: www.medicareadvocacy.org