

# Medicaid and CHIP in 2014: A Seamless Path to Affordable Coverage

Seniors and Individuals with Disabilities in the  
New World of MAGI

Center for Medicaid and CHIP Services

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# Whose Eligibility is Based on MAGI?

<b>MAGI</b>	<b>MAGI-Excepted</b>
Adults	Anyone for whom agency not required to make income determination (e.g., SSI, federal foster care or adoption assistance recipients)
Parents	Individuals eligible on the basis of being aged, blind or disabled
Children	Individuals with long-term care needs
Pregnant women	Individuals eligible as medically needy
	Eligibility for Medicare cost sharing assistance

# MAGI-Exception for 65+ Under the Final Rule

- Exception applies when age (65+) is a condition of eligibility.
- Current methods apply when determining eligibility for group covering individuals age 65 and older.
- MAGI methods applied in determining eligibility of a caretaker relative under 42 CFR 435.110 regardless of the age of the caretaker relative.

# Eligibility on MAGI-Excepted Basis

- Eligibility for mandatory eligibility group based on MAGI does not preclude eligibility for optional eligibility group excepted from MAGI methods (e.g., for disabled individuals, LTC needs).
  - ✓ For example, disabled adults with MAGI-based income at or below 133% FPL who meet criteria for new adult group can be determined eligible for an enroll in optional group for disabled.

# Eligibility for Individuals Needing Long-Term Care Services & Supports

- Adults with MAGI-based income at or below 133% FPL, who meet criteria for adult group, but who need LTC services not provided under adult group, can enroll in an optional eligibility group that better meets their needs.

# MAGI Screen

- If individual meets criteria for eligibility based on MAGI, must be promptly enrolled.
- Agency must pursue eligibility on MAGI-excepted basis if:
  - ✓ Individual indicates potential for eligibility on other basis on single streamlined application;
  - ✓ Individual submits application designed for MAGI-excepted eligibility;
  - ✓ Individual requests such determination;
  - ✓ Agency otherwise has information indicating such potential eligibility.

# MAGI-Screen (con't)

- If the agency has information indicating potential eligibility on another basis or at the individual's request, it must request additional information needed to make determination on MAGI-excepted basis.
  - ✓ Individual is not required to provide information needed by agency to complete eligibility determination on MAGI-excepted basis.
- Enrollment based on MAGI proceeds pending completion of the MAGI-excepted determination.

# MAGI-Screen (con't)

- If agency approves eligibility on MAGI-excepted basis, individual must be enrolled; eligibility based on MAGI discontinued.
- If not eligible on MAGI-excepted basis or cannot complete determination (e.g., all information needed is not provided), individual remains eligible in MAGI-based group.



# Individual Choice

- Individual can choose to pursue or not to pursue eligibility on MAGI-excepted basis.
  - ✓ Good information for informed choice is key.
- Once determined eligible on MAGI-excepted basis, individual is no longer eligible on basis of MAGI and cannot choose to remain in MAGI-based group.
- At next renewal individual can again exercise choice through renewal process.
- If circumstances change, individual may move back into adult group.

# John Jones

- John is a single 25-year old living on his own
  - ✓ He has some medical conditions, but he is able to hold down a part-time job, and earns \$1,000 per month.
  - ✓ He submits the single streamlined application online and indicates his need for supportive services.
  - ✓ The State has a HCBS waiver program which could potentially meet John's needs.

# John Jones

## Eligibility based on MAGI

- John's Medicaid MAGI household = John
- Household income = \$1,000/mo. =  
110% FPL – 5% FPL = 105% FPL
- John is eligible for Medicaid under the adult group based on MAGI.

# John Jones

## Eligibility on MAGI-Excepted Basis

- Because John has indicated a need for specialized services which may be covered under the State's waiver program, agency needs to request additional information from John to determine his eligibility for that program.
- The agency will need to provide John with the information he needs to decide whether to complete the MAGI-excepted determination.
- Pending completion of the determination of eligibility for the waiver program, John will remain enrolled through the adult group.

# John Jones

## Eligibility on MAGI-Excepted Basis

- If John is determined eligible for the waiver program, he must enroll in that program.
- If John does not provide all information needed to determine eligibility for the waiver program or the State determines he is not eligible, he will remain in the adult group.

# Individuals not eligible based on MAGI

- Agency must pursue eligibility on MAGI-excepted basis if:
  - ✓ Potential for eligibility on other basis indicated on single streamlined application;
  - ✓ Individual submits application designed for MAGI-excepted eligibility;
  - ✓ Individual requests such determination;
  - ✓ Agency otherwise has information indicating such potential eligibility.

# Scope of Policy

- Policy applies to all MAGI-excepted bases of eligibility:
  - ✓ Based on disability, blindness
  - ✓ Long-term care needs
  - ✓ Breast and cervical cancer
  - ✓ Medically needy
  - ✓ Does not apply to Medicare Savings Program eligibles

# “Reverse” MAGI Screen

- Individuals submitting alternative application for MAGI-excepted populations must be able to promptly enroll based on MAGI if eligible on such basis pending lengthier MAGI-excepted determination.



# Coordination with Exchanges

- Individuals not Medicaid eligible based on MAGI must be evaluated for potential eligibility for other insurance affordability programs and electronic account transmitted as appropriate.
- Agency must simultaneously pursue eligibility on MAGI-excepted basis if:
  - ✓ Potential for eligibility on other basis indicated on single streamlined application;
  - ✓ Individual submits application designed for MAGI-excepted eligibility;
  - ✓ Individual requests such determination;
  - ✓ Agency otherwise has information indicating such potential eligibility.
- Same treatment for individuals submitting application to Exchange.

# Smith Family

## MAGI Methods in Mixed Households

- Sally is married to John, who may be disabled.
  - ✓ They have one child, Henry, age 6.
  - ✓ Sally works and earns \$1,500 per month.
  - ✓ John is self-employed and works out of his home, earning \$1,000 per month. They have no other income and no one is eligible for Medicare.
  - ✓ The applicable MAGI standard for adults is 133% FPL and for children is 250% FPL.
  - ✓ The State has a buy-in program for disabled individuals with income under 250% FPL.
  - ✓ Sally completes the online application.

# Smith Family

## Eligibility Based on MAGI

- Sally's Medicaid MAGI household = Sally+John+Henry
- John's Medicaid MAGI household = Sally+John+Henry
- Henry's Medicaid MAGI household = Sally+John+Henry
- Household income for each person = \$2,500/mo. = 162% FPL – 5% FPL = 157% FPL
- Henry is eligible for Medicaid based on MAGI; Sally and John are not.

# Smith Family

## Eligibility on MAGI-Excepted Basis

- Sally does not indicate on the application that either Sally or Henry may be disabled, that either has high medical expenses or that either needs long term care services. She does indicate that John may be disabled.
- The agency does not need to evaluate eligibility based on a MAGI-excepted basis for Sally or Henry, but appropriate information and notice will be provided so that they can request such determination.
- The agency must evaluate John for eligibility for the buy-in program for working disabled.

# Smith Family

## Eligibility on MAGI-Excepted Basis

- The agency will collect additional information from John needed to determine eligibility based on disability.
- It will apply the SSI-based methods to determine John's income and resources, including any optional disregards adopted by the State, to determine John's income for purposes of the buy-in program.
- Determination of eligibility for John based on disability does not affect the Medicaid MAGI households used for Sally or Henry.
- Sally and John will be evaluated by Exchange for APTC and CSR and can enroll if eligible, even as Medicaid agency determines John's eligibility for the buy-in program.

# **Next Webinar: Thursday, May 10<sup>th</sup> 3-4:30pm EST Eligibility & Enrollment Wrap-Up**

## **More information on the final rule:**

<http://www.medicaid.gov/AffordableCareAct/Provisions/Eligibility.html>

## **Webinar information:**

<http://www.medicaid.gov/State-Resource-Center/Eligibility-Enrollment-Final-Rule/Eligibility-and-Enrollment-Final-Rule-Webinars.html>