

# Medicaid Intensive: Overview of Medicaid Eligibility

Patrick W. Finnerty  
PWF Consulting  
(Former Virginia Medicaid Director)

# Medicaid Eligibility Has Evolved Over Time...And Is Still Complex

**MAGI** § 1634 States **ACA** **Mandatory** **HCBS** **Spousal Impoverishment**  
**ABD** **Assets** **SSA**  
**Residency Requirement** **CFR** **optional** **Categorical** **Level of Care**  
**QMB** **Maintenance of Effort** **Medically Needy** **QI** **LTSS**  
**Federal Poverty Level** **Family Opportunity Act** **SSI** **Special Income Rule** **SLMB**  
**Financial** **Disabilities** **Renewal** **Dual Eligible**  
**Medicare** **209(b) states**

# Key Eligibility Requirements

- Eligibility determinations include financial and non-financial criteria
- Medicaid eligibility determination includes a residency requirement:
  - Beneficiaries generally must be residents of the state in which they are receiving Medicaid.
  - They must be either citizens of the United States or certain qualified non-citizens, such as lawful permanent residents.
  - In addition, some eligibility groups are limited by age, or by pregnancy or parenting status.
- Eligibility re-determinations must occur at least **annually** (cannot be more frequently for individuals whose eligibility is based on Modified Adjusted Gross Income (MAGI))

**Medicaid.gov**  
Keeping America Healthy



- Temporary FMAP increase due to COVID-19 public health emergency requires states to adhere to certain “**Maintenance of Effort**” requirements; including **maintaining eligibility levels and providing continuous eligibility**

# 2020 Federal Poverty Level Guidelines\*

| Family Size | Annual Family Income |          |          |          |          |
|-------------|----------------------|----------|----------|----------|----------|
|             | 100% FPL             | 133% FPL | 185% FPL | 200% FPL | 300% FPL |
| 1           | \$12,760             | \$17,609 | \$23,606 | \$25,520 | \$38,280 |
| 2           | \$17,240             | \$23,791 | \$31,894 | \$34,480 | \$51,720 |
| 3           | \$21,720             | \$29,974 | \$40,182 | \$43,440 | \$65,160 |
| 4           | \$26,200             | \$36,156 | \$48,470 | \$52,400 | \$78,600 |
| 5           | \$30,680             | \$42,338 | \$56,758 | \$61,360 | \$92,040 |

\* 2020 Poverty Guidelines for 48 Contiguous States & District of Columbia. Separate FPL Guidelines are published for Alaska & Hawaii. 100% FPL for Family of 1 is \$15,950 in Alaska and \$14,680 in Hawaii.

# Modified Adjusted Gross Income (MAGI)

- Affordable Care Act requires states to **change their method of counting income and defining household size** when determining eligibility for Medicaid
- MAGI is a **methodology for determining household size and income** based on tax law
- MAGI rules **apply to all states** even if the state has not opted to expand Medicaid
- MAGI-based standards **apply only to certain eligibility categories of Medicaid**, including children, pregnant women, parents and the new adult expansion group.



# CMS Lists Over 25 Mandatory & 30 Optional Categorically Needy Groups

- Examples of Mandatory Categorically Needy Groups include:
  - Children
  - Pregnant women
  - Low-Income Families
  - Individuals receiving Supplemental Security Income (SSI)
  - Medicare beneficiaries with limited income and resources
- Examples of Optional Categorically Needy Groups include:
  - Individuals receiving Home & Community-Based Services (HCBS)
  - Children in Foster Care (who are not otherwise eligible)
  - Individuals Receiving Hospice Care
  - Individuals at or below 133% Federal Poverty Level (FPL) Age 19 through 64



# States Have the Option to Establish *Medically Needy* Categories of Eligibility

- **Medically Needy** programs are for individuals with significant health needs whose income is too high to otherwise qualify for Medicaid under other eligibility groups
- Individuals can become eligible by “**spending down**” the amount of income that is above a state's medically needy income standard
- Individuals spend down by **incurring expenses for medical and remedial care** for which they do not have health insurance
- Once an individual's incurred expenses **exceed the difference** between the individual's income and the state's medically needy income level (the “spenddown” amount), the person can be eligible for Medicaid
- The **Medicaid program then pays the cost of services that exceeds the expenses** the individual had to incur to become eligible

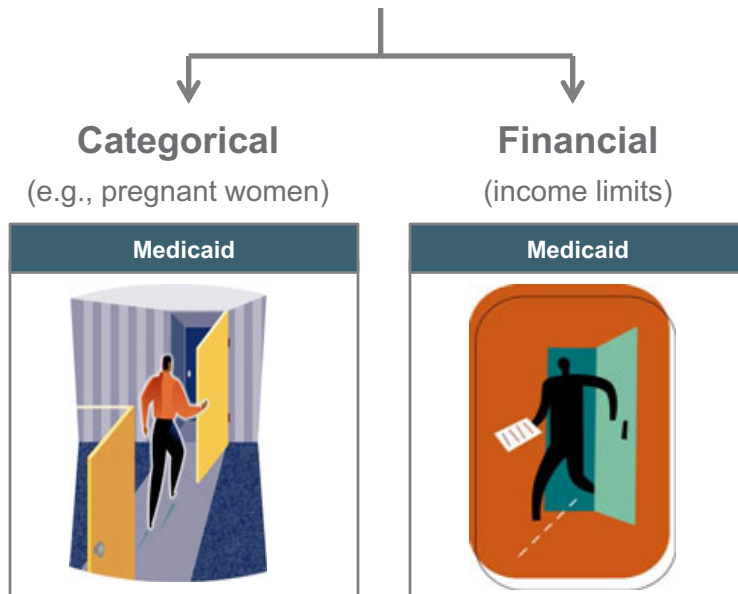


# Determining Medicaid Eligibility: Pre-and Post-Affordable Care Act (ACA)

## Eligibility Determination Process (Non-Medicare Eligible Individuals <65)

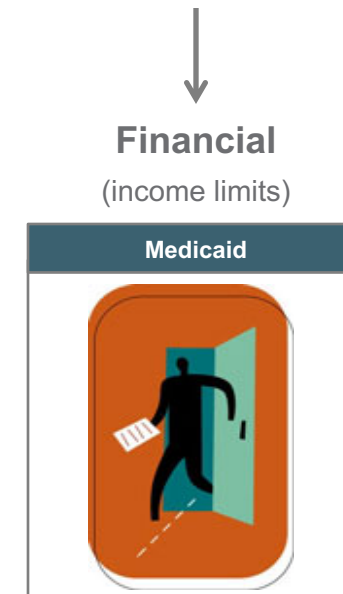
### All States Prior to ACA Expansion and Non-Expansion States

*Two Doors to Eligibility*



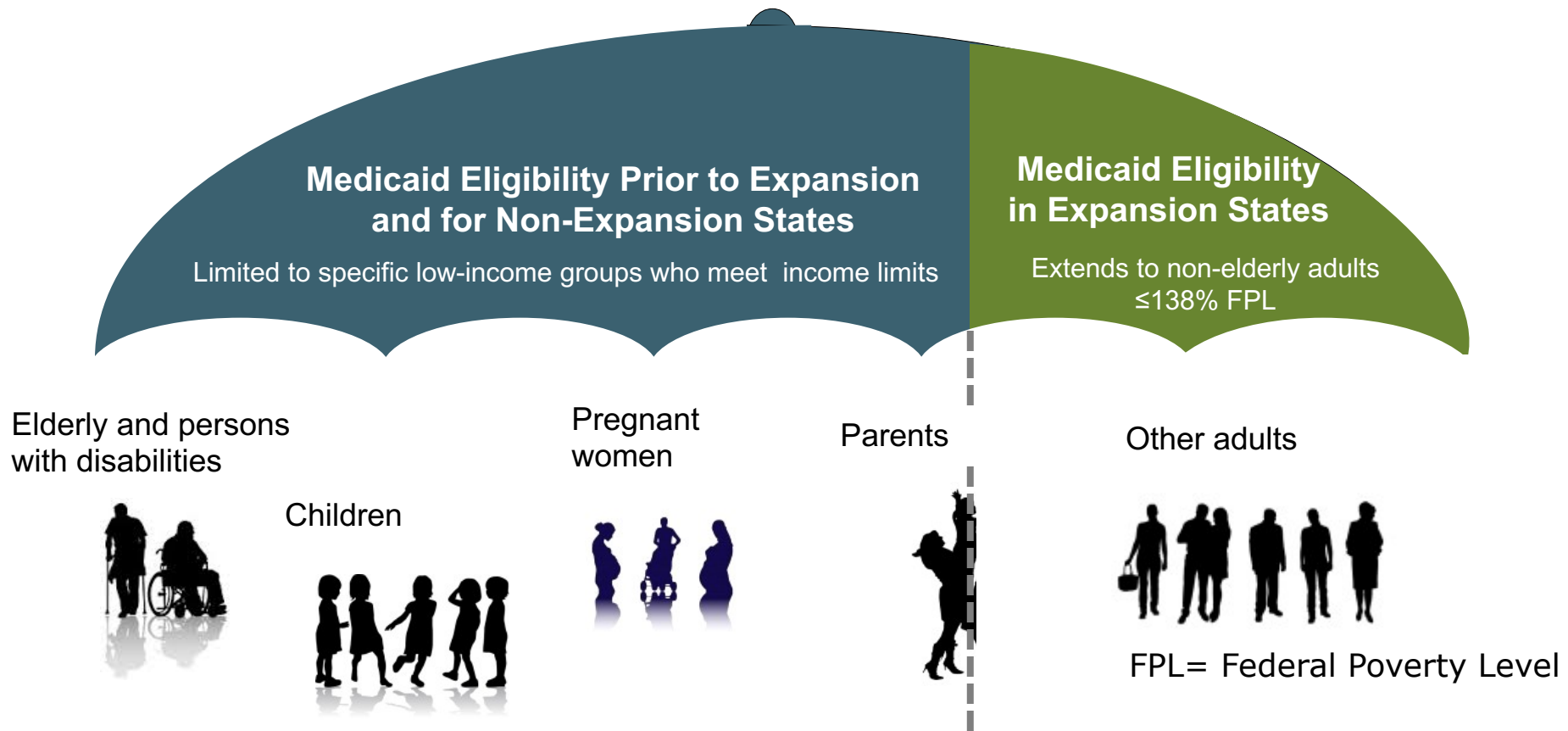
### Expansion States

*One Door to Eligibility*

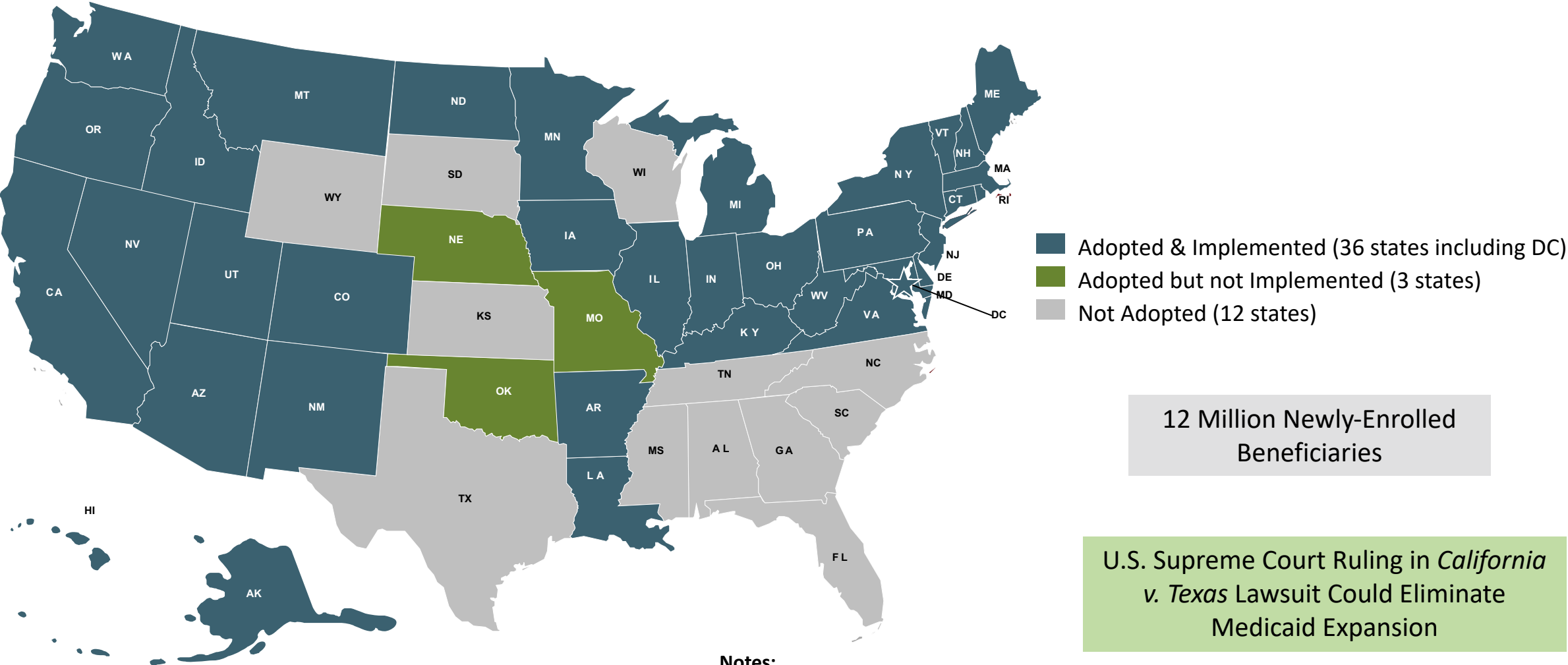




# Medicaid Eligibility Before and After ACA Expansion



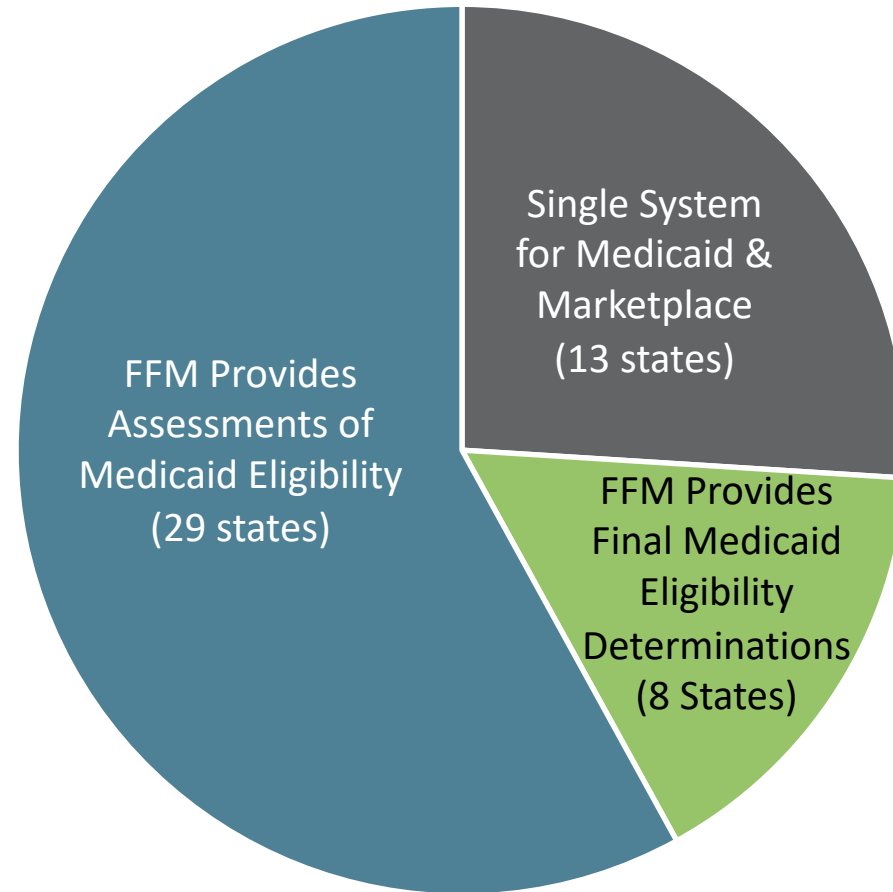
# Medicaid Expansion: Now 39 States (Including D.C.)



**Notes:**

- Missouri approved a ballot initiative on August 4, 2020 to adopt Medicaid expansion.
- Wisconsin covers adults up to 100% FPL in Medicaid with regular FMAP but did not adopt the ACA expansion.

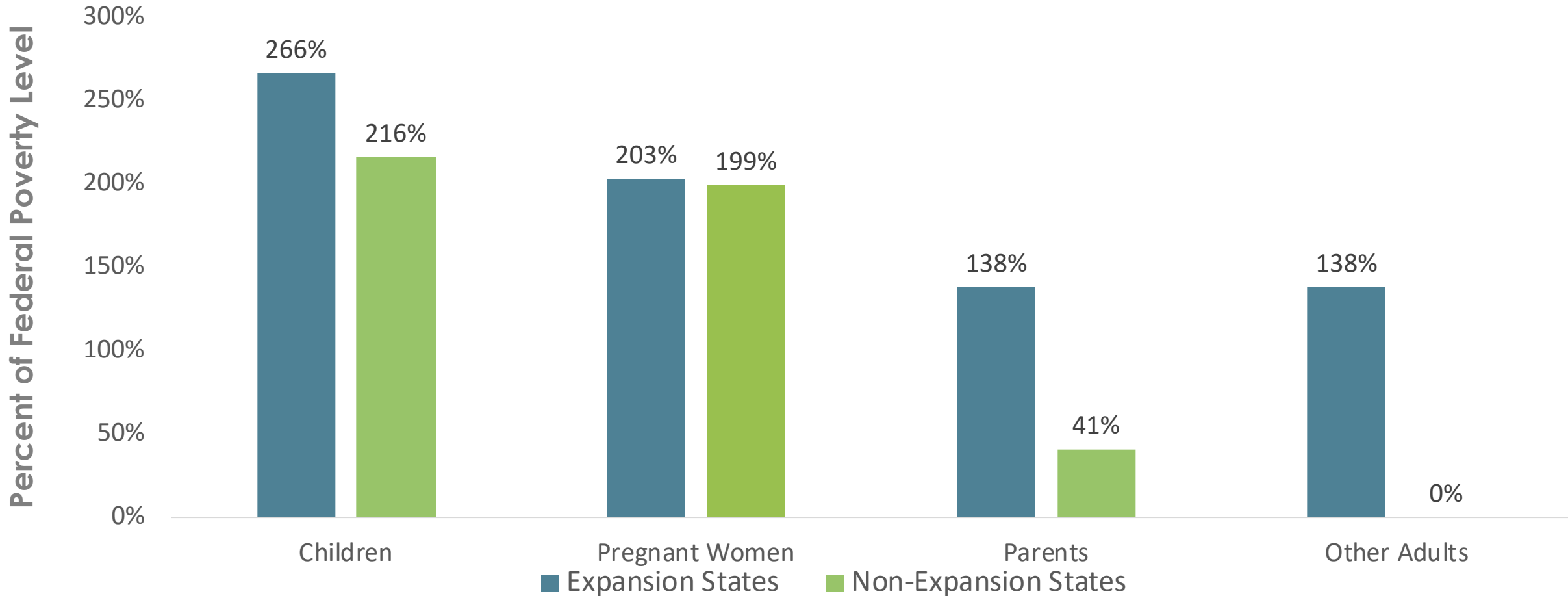
# Relationship of Marketplace and Medicaid Eligibility Systems, January 2020



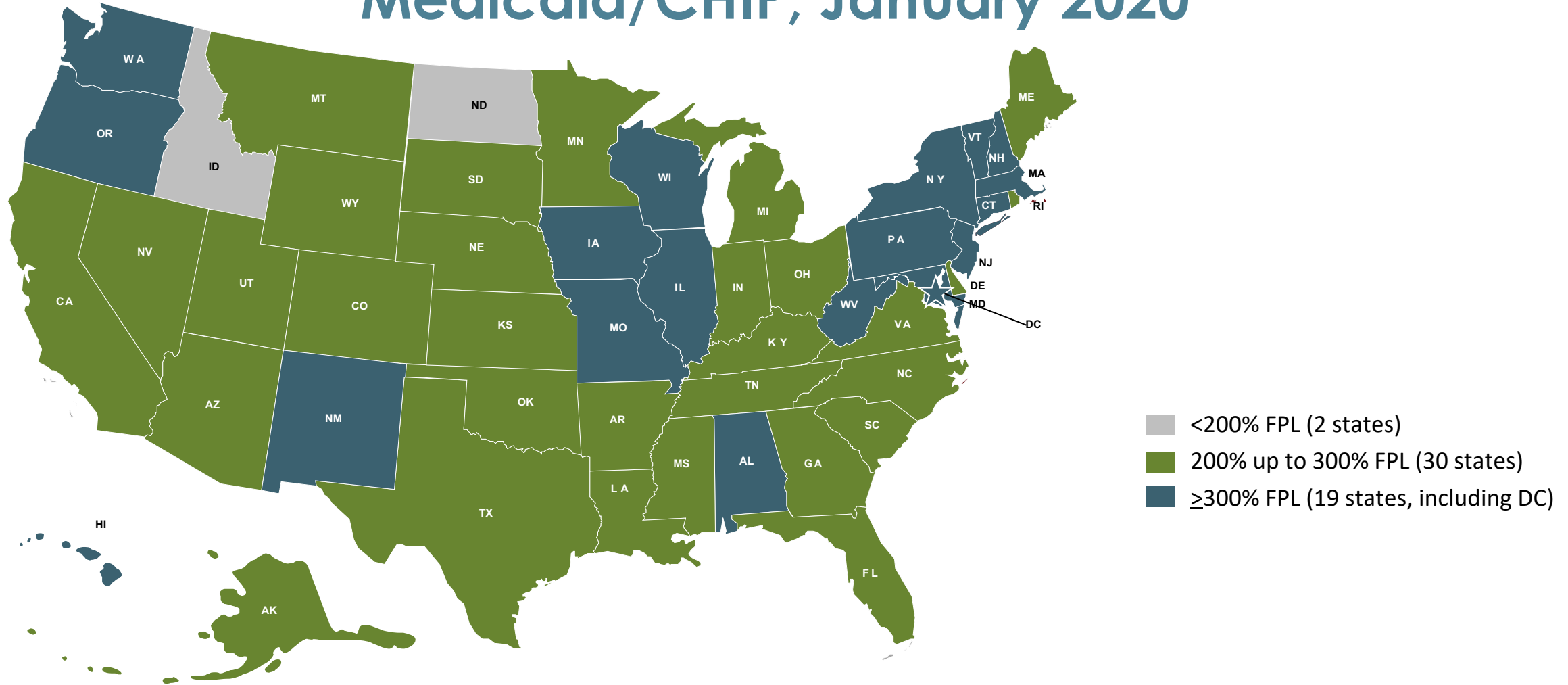
FFM=Federally Facilitated Marketplace

NOTES: South Carolina not reported.

# Median Medicaid Eligibility Levels Based on Implementation of Medicaid Expansion; Jan. 2020

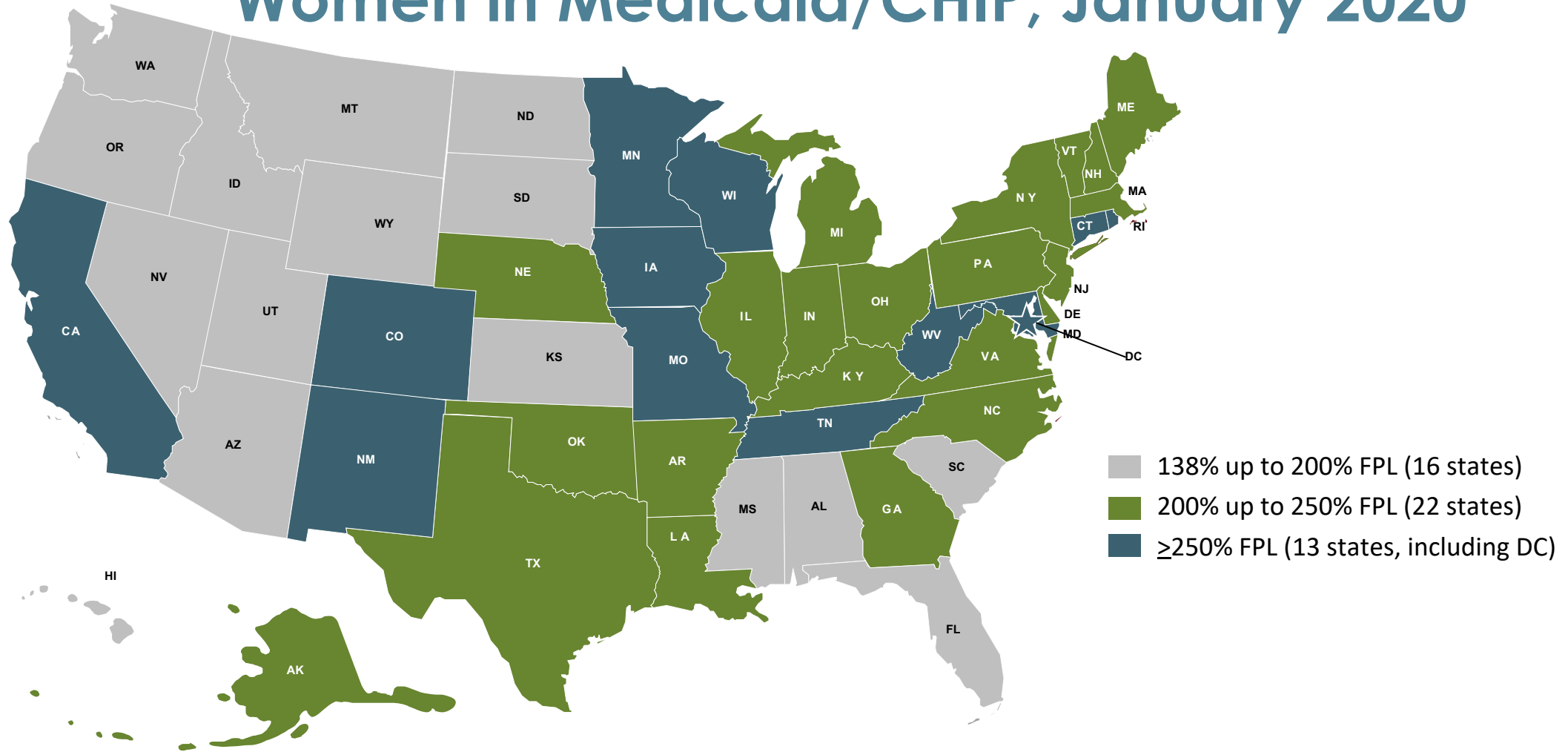


# Income Eligibility Levels for Children in Medicaid/CHIP, January 2020



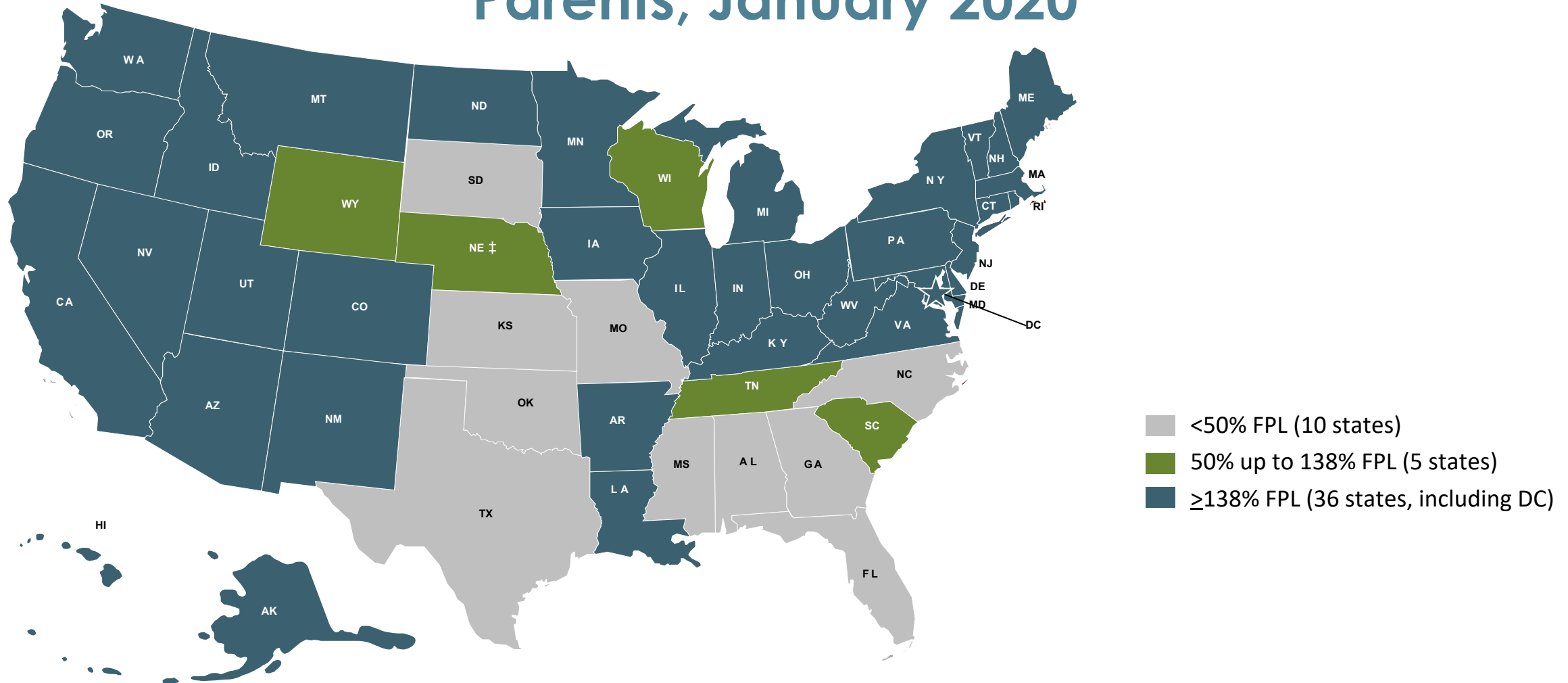
NOTE: Eligibility levels are based on 2020 federal poverty levels (FPLs) for a family of three. In 2020, the FPL was \$21,720 for a family of three. Thresholds include the standard five percentage point of the FPL disregard.

# Income Eligibility Levels for Pregnant Women in Medicaid/CHIP, January 2020



NOTE: Eligibility levels are based on 2020 federal poverty levels (FPLs) for a family of three. In 2020, the FPL was \$21,720 for a family of three. Thresholds include the standard five percentage point of the FPL disregard.

# Medicaid Income Eligibility Levels for Parents, January 2020

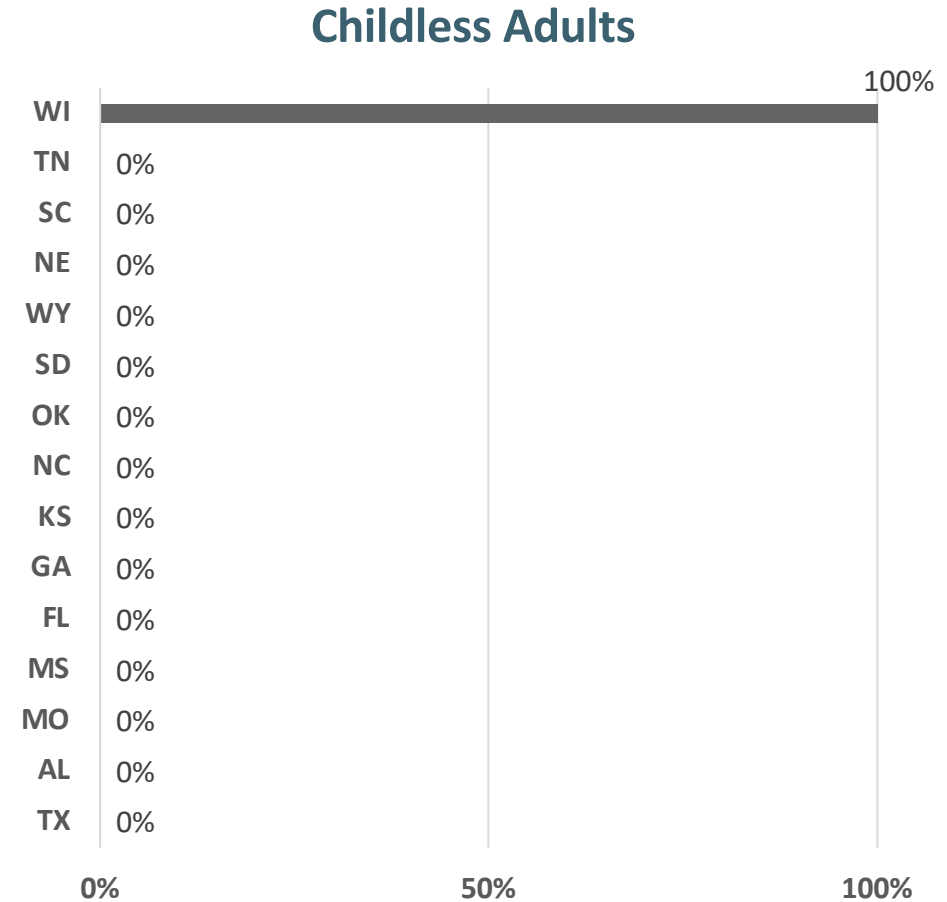
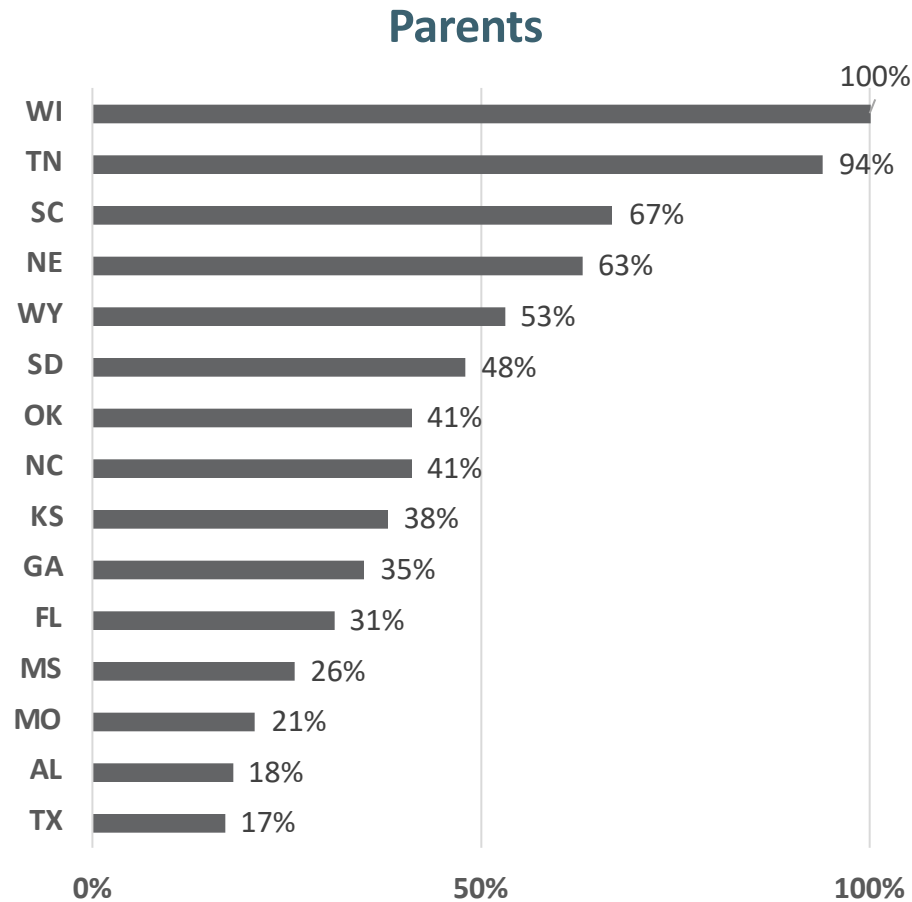


NOTE: Eligibility levels are based on 2020 federal poverty levels (FPLs) for a family of three. In 2020, the FPL was \$21,720 for a family of three. Thresholds include the standard five percentage point of the FPL disregard. ‡ NE passed a ballot initiative requiring the state to implement the ACA Medicaid expansion, but it was not implemented as of January 2020.

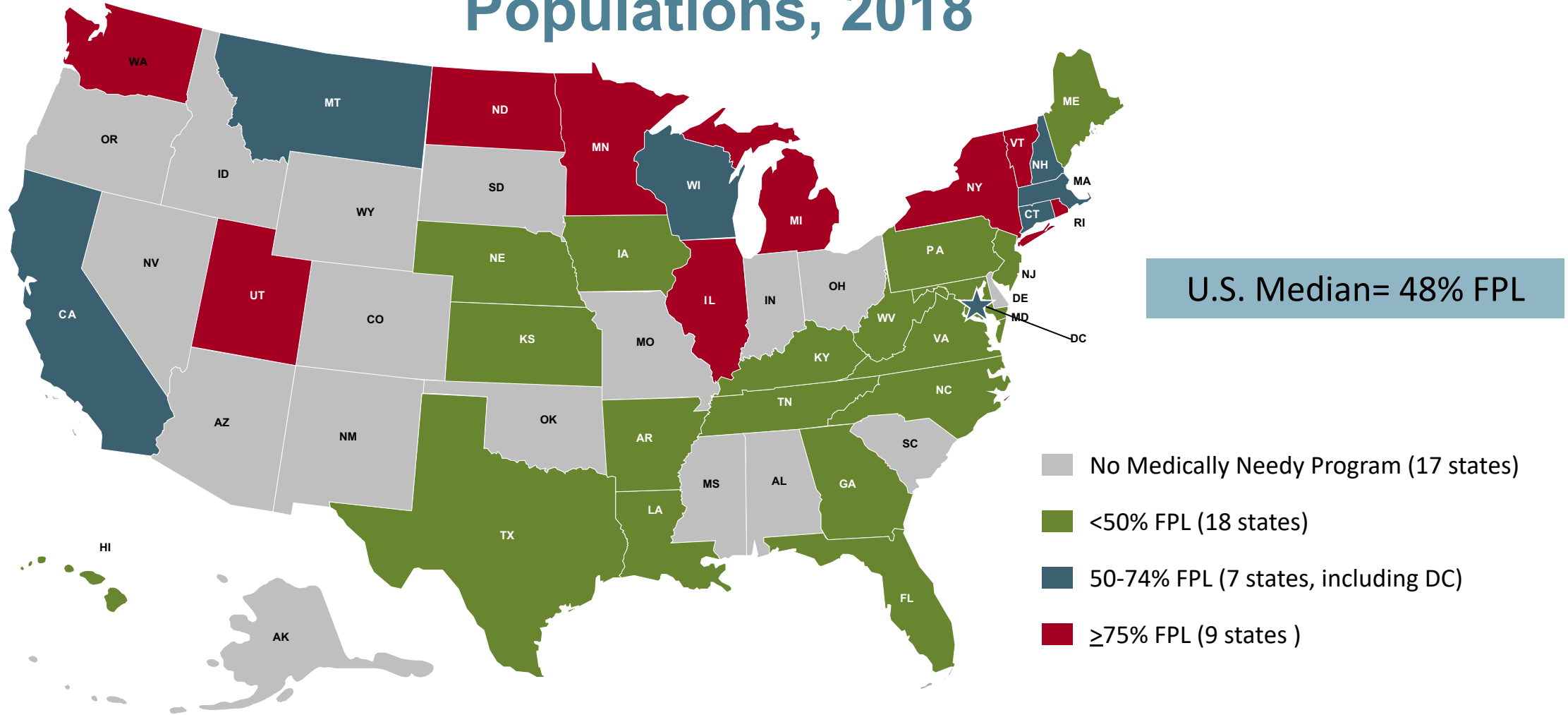




# Medicaid Income Eligibility Limits for Adults in States That Have Not Implemented Medicaid Expansion, January 2020



# Medicaid Eligibility for Medically Needy Populations, 2018



NOTE: \*TN and TX cover only medically needy pregnant women and children; all other states cover these populations in addition to medically needy seniors and people with disabilities. ^State also covers medically needy low-income parents.

# “Eligibility” Factors for Medicaid Home and Community-Based Waivers

- **Meet Medicaid Categorical and Financial Eligibility**
  - For group included in Medicaid State Plan and specified in Waiver
- **Meet Institution-Equivalent Level of Care (LOC)**
  - In absence of waiver services, would require Medicaid payable services provided by nursing facility, ICF/DD facility, or hospital
  - Clinical determination that looks at functional ability/need for assistance with personal activities of daily living like bathing, dressing, eating and transferring
- **Be a Member of the Waiver Target Group**
  - Three broad target groups are 1 ) Aged and/or Disabled, 2)Intellectual/Developmental Disability, and 3) Persons with Mental Illness (may be called Serious Emotional Disturbance (SED))
  - May be much more narrowly targeted e.g., (autism, HIV)
  - Cost can be a factor, depending on whether waiver cost limit is individual or aggregate



# States Have Three Options for Determining Medicaid Eligibility of SSI Beneficiaries

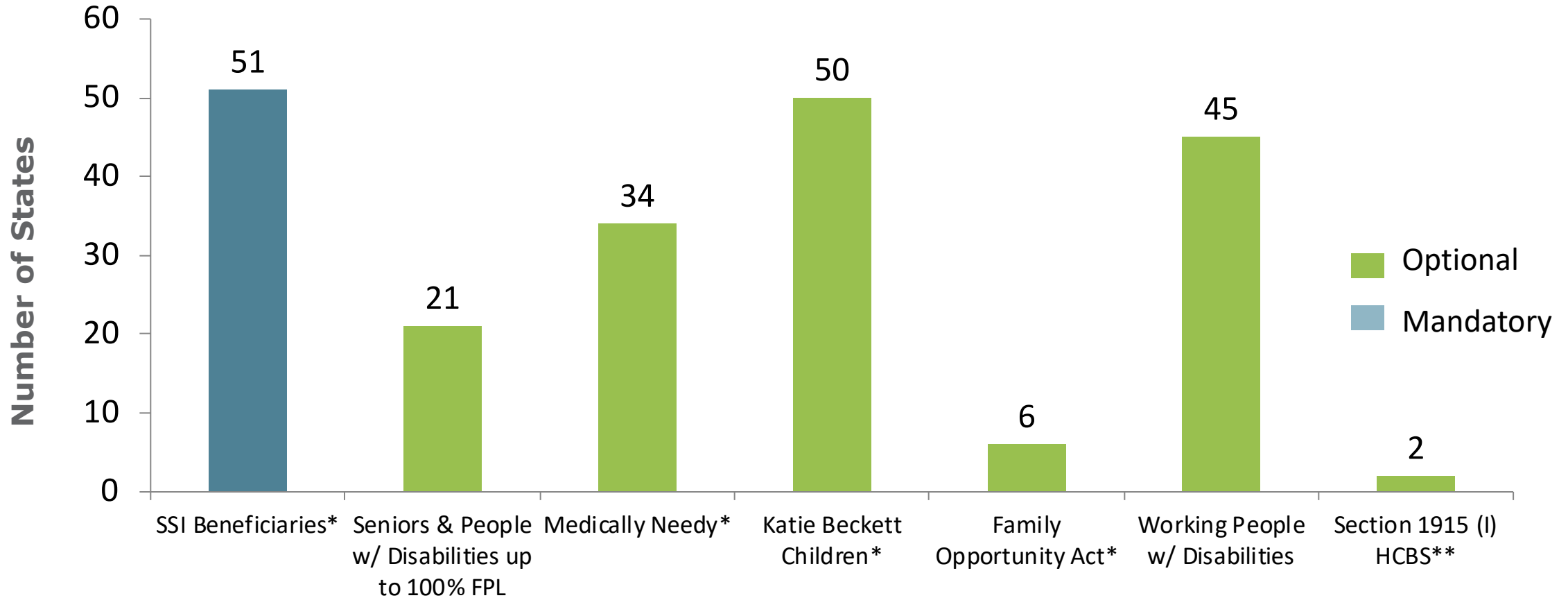
- **Section 1634 States—SSA Administration (33 states and DC)**
  - Same eligibility criteria as SSI
  - Contract with SSA via a “1634 agreement” to also determine Medicaid eligibility for SSI
  - No separate application required—eligibility files transmitted to state
  - Referral to state for final determination in rare cases (Medicaid qualifying trusts, transfer of resources, TPL, refusal to assign rights)
- **SSI Criteria States—State Administration (7 states and Northern Mariana Islands)**
  - Same eligibility criteria as SSI for income, resources and disability
  - Categorically eligible for Medicaid but separate application is required
- **Section 209(b) States (10 states)**
  - Can have own rules; use at least one eligibility criterion more restrictive than SSI
  - Separate application is required
  - Criteria cannot be more restrictive than standards in effect July 1, 1972
  - All but HI have income limit close to SSI limit; asset limit can be lower (or higher)
  - Must provide for deducting incurred medical expenses (Spend-down)

# Findings from 2019 Kaiser Survey: Medicaid Financial Eligibility for Seniors & People w/ Disabilities

- While adoption of the **major optional age and disability-related Medicaid eligibility pathways varies substantially across states**, state choices about these pathways have **remained stable since** the time of last survey in **2015**
- The **income limits** associated with the age and disability-related pathways vary across states but **generally remain low, with a notable minority of states opting to eliminate asset tests in certain pathways**
- Greater shares of **states that have adopted the ACA Medicaid expansion also have adopted key optional age and disability-related pathways**, compared to non-expansion states
- **All states elect at least some options** to expand financial eligibility for Medicaid LTSS
- An **increasing number of states are opting to apply the ACA's streamlined eligibility renewal provisions to age and disability-related pathways**, which can help retain eligible people in coverage and strengthen continuity of care.

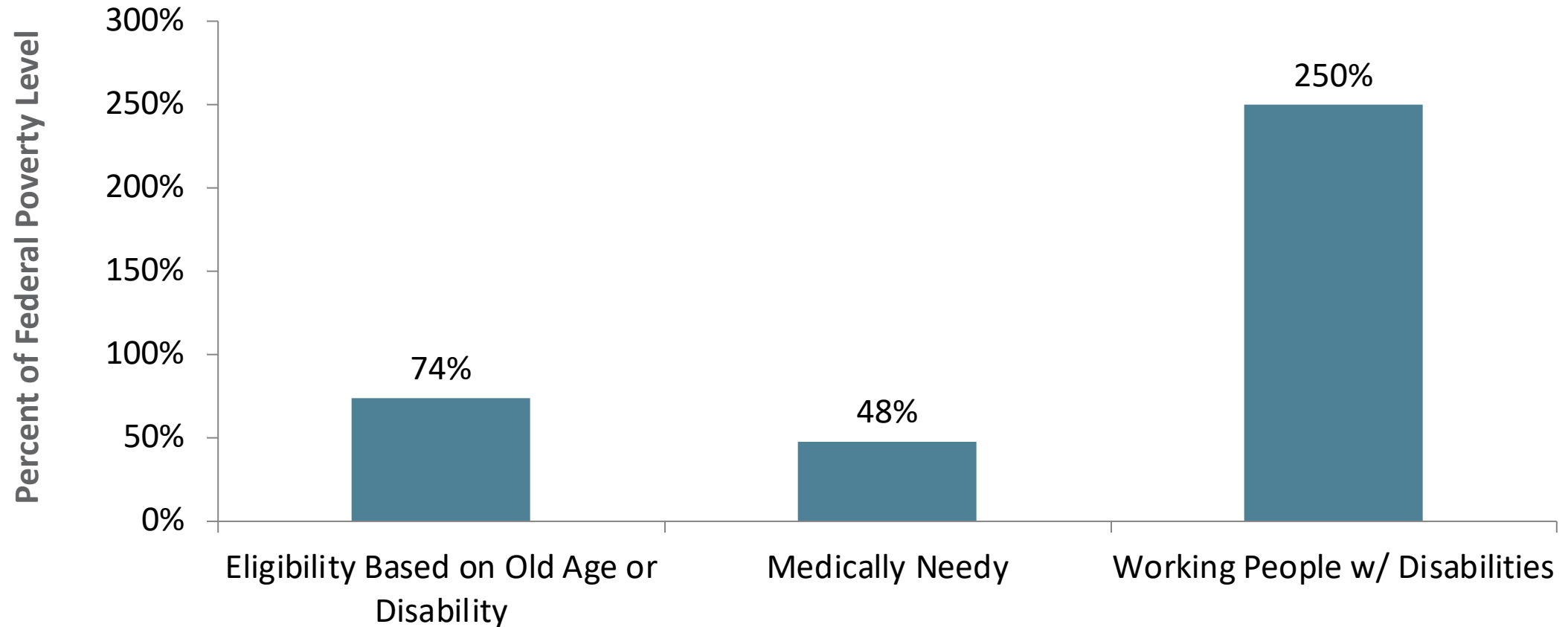


# State Adoption of Key Medicaid Eligibility Pathways Based on Old Age or Disability, 2018

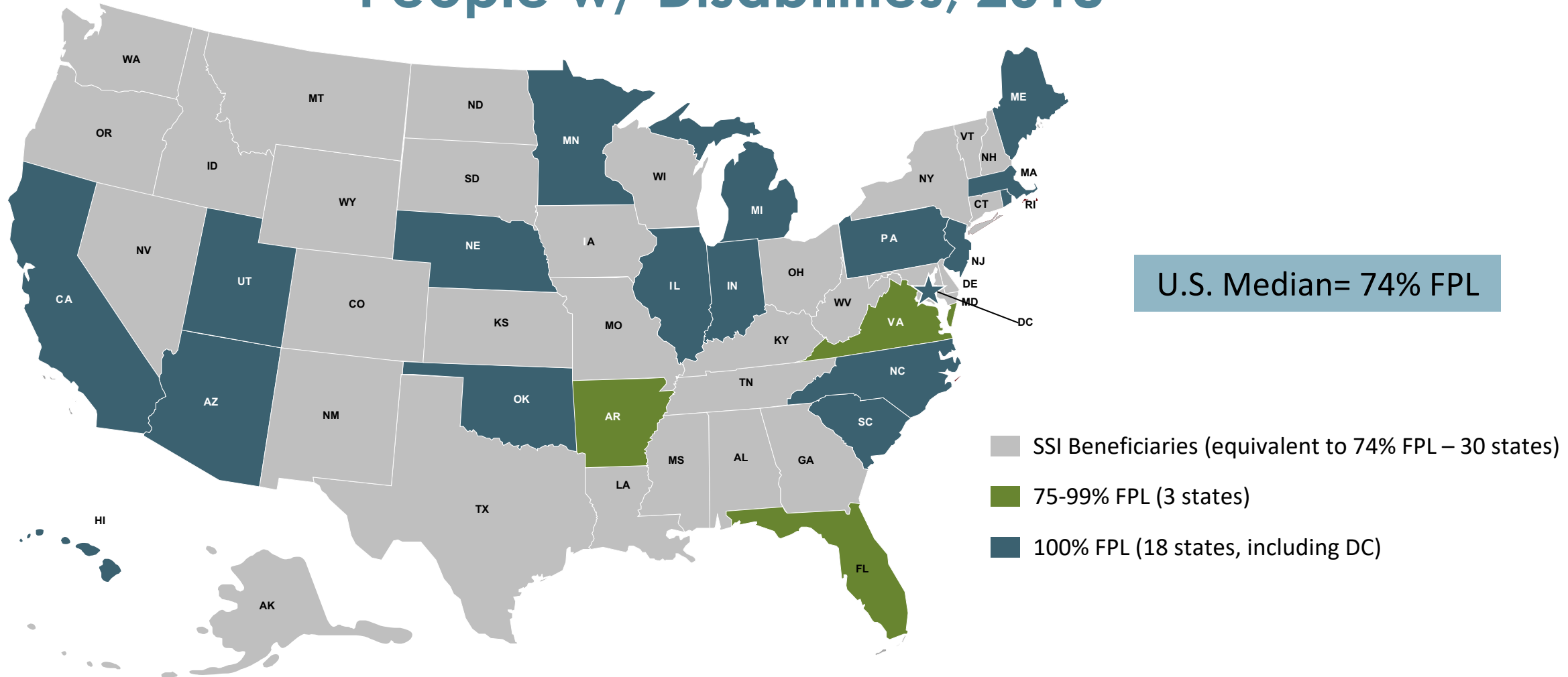


NOTES: \*8 states elect the 209 (b) option to apply financial and/or functional eligibility rules that are more restrictive than federal SSI rules when determining Medicaid eligibility for SSI beneficiaries. States electing the medically needy pathway must cover pregnant women and children and may cover seniors, people with disabilities, and/or low-income parents. Katie Beckett and Family Opportunity Act states include those electing the state plan option as well as comparable waivers. \*\*Additional states use 1915 (i) to provide HCBS to those who are eligible for Medicaid through another pathway.

# Median Income Limits for Age & Disability Pathways, 2018



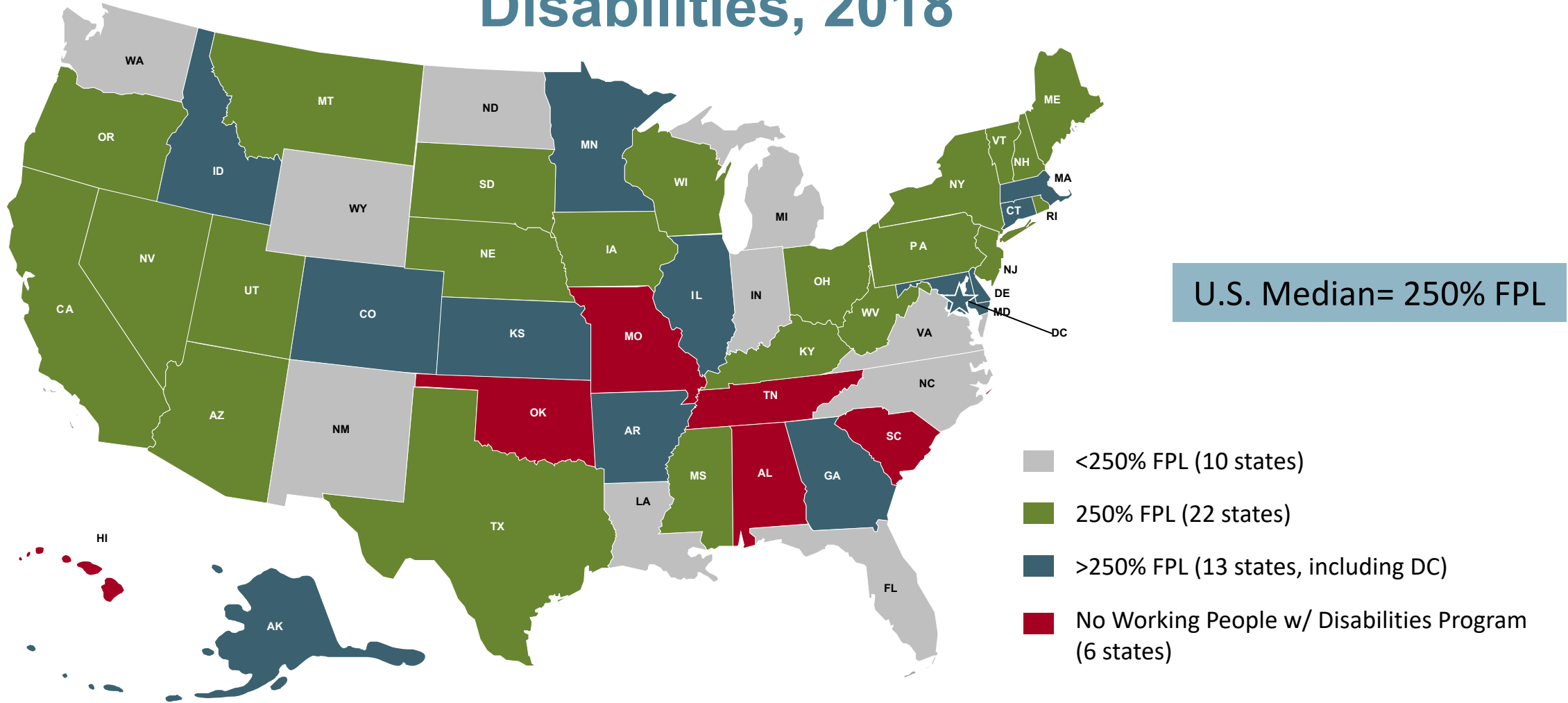
# Medicaid Eligibility for Seniors & People w/ Disabilities, 2018



NOTES: Includes pathways for SSI beneficiaries and state option to cover seniors and people with disabilities up to 100% FPL. Eligibility limits are for an individual. States generally must cover SSI beneficiaries, who receive a maximum federal benefit equivalent to 74% FPL.\*The maximum SSI benefit exceeds 74% FPL in ID, MO, NY, and WI, due to state supplemental payments and/or additional income disregards. CT uses Section 209 (b) to apply a more restrictive income limit than the federal SSI rules (63% FPL).

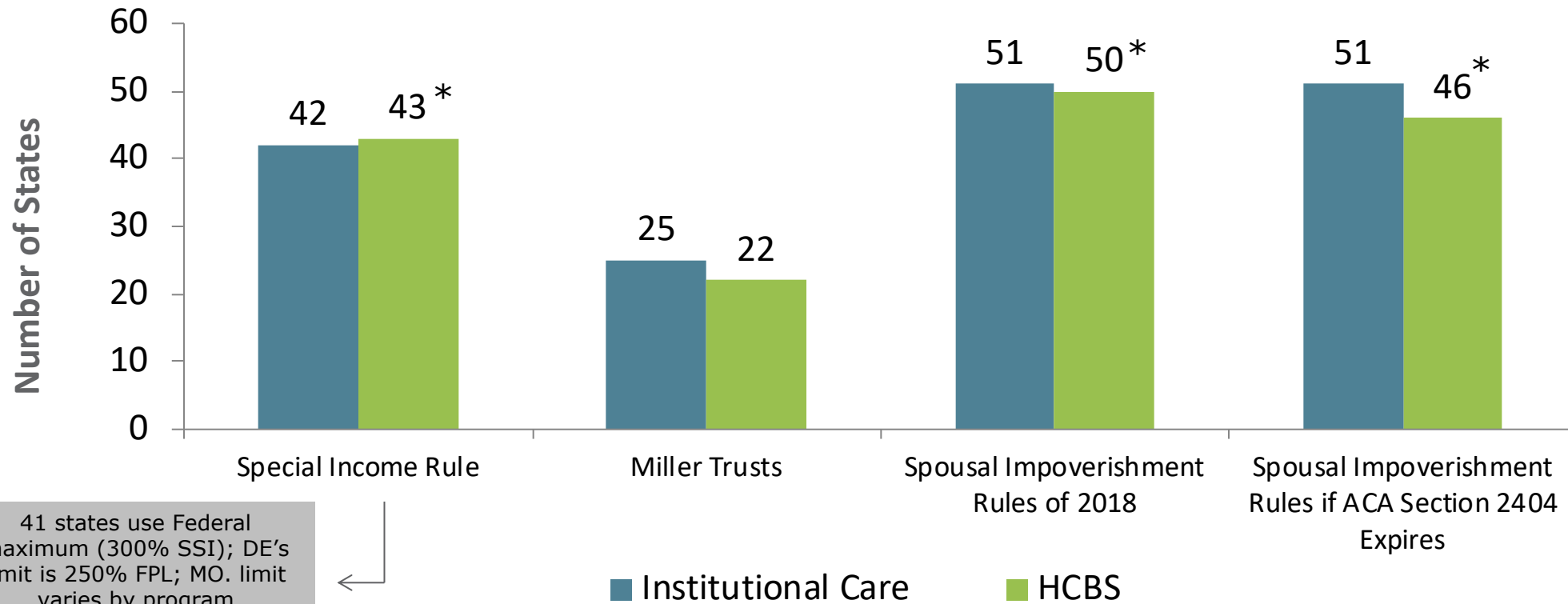


# Medicaid Eligibility for Working People w/ Disabilities, 2018



NOTE: \*AR, MA, and MN do not have an upper income limit.

# All States Elect at Least Some Options to Expand Financial Eligibility for People Who Need Medicaid LTSS



NOTES:\*MA applies the special income rule to HCBS but not institutional care. MN applies the special income rule to institutional care but only one of its HCBS waivers. Application of MO's special income rule varies by program. IL applies the spousal impoverishment rules to some but not all HCBS waivers as of Dec. 2018. ACA 2404 requires states to apply spousal impoverishment rules to all HCBS. At the time of our survey, 2404 was set to expire at the end of 2018, but subsequently has been extended through Sept. 2019. If 2404 expires, AR, IL, and MN plan to apply the spousal impoverishment rules to some but not all HCBS waivers, and ME and NH do not plan to apply the rules to any HCBS waivers.

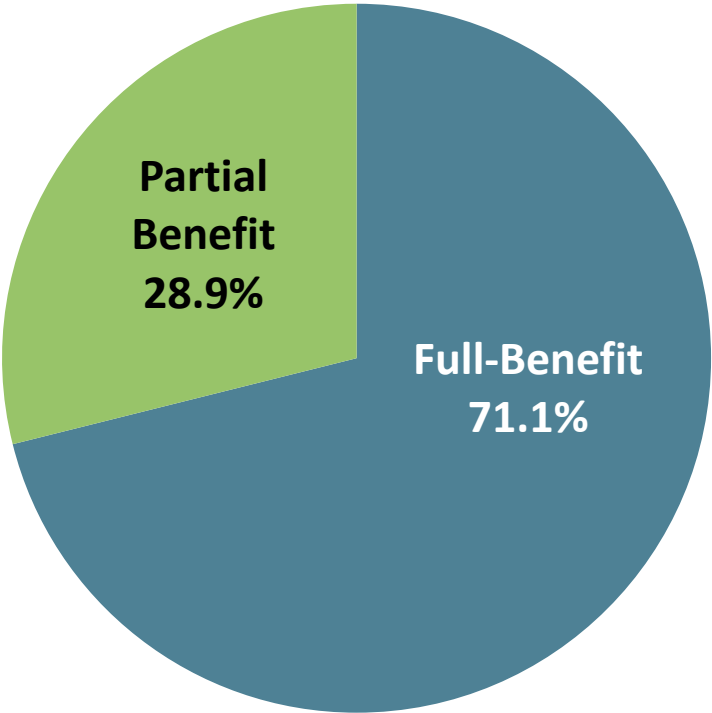
# “Dual Eligibles” ... Approximately 12 million in 2018

- **Full Benefit Dual Eligible:** Beneficiary receives full Medicaid & Medicare benefits
- **Qualified Medicare Beneficiary (QMB) Program:** Helps pay premiums, deductibles, coinsurance, and copayments for Part A, Part B, or both programs
- **Specified Low-Income Medicare Beneficiary (SLMB) Program:** Helps pay Part B premiums
- **Qualifying Individual (QI) Program:** Helps pay Part B premiums
- **Qualified Disabled Working Individual (QDWI) Program:** Pays the Part A premium for certain disabled and working beneficiaries

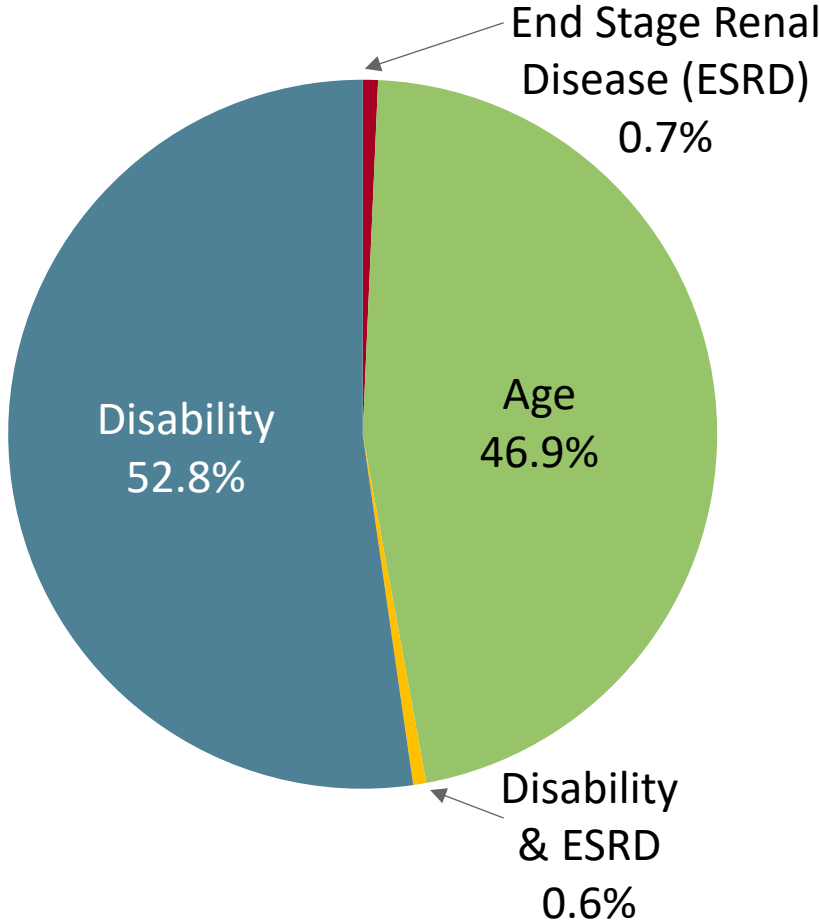
## Medicare Savings Plans



# Full-Benefit vs. Partial Benefit Duals



# Medicare Eligibility by Age vs. Disability



# Full Benefit “Dual Eligibles”

## Full Medicaid

| Benefits & Qualifications    | Description   |
|------------------------------|---|
| <p><b>Benefits</b></p>       | <ul style="list-style-type: none"> <li>• Full Medicaid coverage</li> <li>• Medicaid pays Part A (if any) and Part B premiums, and may pay deductibles, coinsurance, and copayments consistent with the Medicaid State Plan (even if the Medicaid State Plan payment is unavailable for these charges, the QMB is not liable for them)</li> </ul>  |
| <p><b>Qualifications</b></p> | <ul style="list-style-type: none"> <li>• Income may be up to 100% of the FPL</li> <li>• States determine resources criteria</li> <li>• To qualify as a QMB Plus, the individual must be enrolled in Part A (or if uninsured for Part A, have filed for premium Part A on a conditional basis). For more information on this process, refer to Section HI 00801.140 of the <u>Social Security Administration Program Operations Manual System</u>.</li> <li>• To qualify for full Medicaid benefits, an individual must meet financial and other criteria</li> </ul> |

# Medicare Savings Programs: “Dual Eligibles”

## Qualified Medicare Beneficiary (QMB) Only

| Benefits & Qualifications | Description   |
|---------------------------|---|
| <b>Benefits</b>           | <ul style="list-style-type: none"> <li>• Medicaid pays Part A (if any) and Part B premiums</li> <li>• Medicaid may pay deductibles, coinsurance, and copayments for Medicare services furnished by Medicare providers consistent with the Medicaid State Plan (even if the Medicaid State Plan payment is unavailable for these charges, the QMB is not liable for them)</li> </ul>   |
| <b>Qualifications</b>     | <ul style="list-style-type: none"> <li>• Income may be up to 100% of the Federal Poverty Level (FPL)</li> <li>• Resources must be no more than 3 times the SSI resource limit, adjusted annually according to Consumer Price Index (CPI) increases</li> <li>• To qualify as a QMB Only, the beneficiary must be enrolled in Part A (or if uninsured for Part A, have filed for premium Part A on a conditional basis). For more information on this process, refer to Section HI 00801.140 of the Social Security Administration Program Operations Manual System.</li> </ul> |

# Medicare Savings Programs: “Dual Eligibles” (cont.)

## Qualified Medicare Beneficiary (QMB) Only Plus

| Benefits & Qualifications    | Description  |
|------------------------------|--|
| <p><b>Benefits</b></p>       | <ul style="list-style-type: none"> <li>• Full Medicaid coverage</li> <li>• Medicaid pays Part A (if any) and Part B premiums, and may pay deductibles, coinsurance, and copayments consistent with the Medicaid State Plan (even if the Medicaid State Plan payment is unavailable for these charges, the QMB is not liable for them)</li> </ul>   |
| <p><b>Qualifications</b></p> | <ul style="list-style-type: none"> <li>• Income may be up to 100% of the FPL</li> <li>• States determine resources criteria</li> <li>• To qualify as a QMB Plus, the individual must be enrolled in Part A (or if uninsured for Part A, have filed for premium Part A on a conditional basis). For more information on this process, refer to Section HI 00801.140 of the Social Security Administration Program Operations Manual System.</li> <li>• To qualify for full Medicaid benefits, an individual must meet financial and other criteria</li> </ul> |

# Medicare Savings Programs: “Dual Eligibles” (cont.)

## Specified Low-Income Medicare Beneficiary (SLMB) Only

| Benefits & Qualifications | Description  |
|---------------------------|--|
| <b>Benefits</b>           | <ul style="list-style-type: none"> <li>• Medicaid pays Part B premiums</li> </ul>  |
| <b>Qualifications</b>     | <ul style="list-style-type: none"> <li>• Income must be more than 100% but less than 120% of the FPL</li> <li>• Resources must be no more than 3 times the SSI resource limit, adjusted annually according to CPI increases</li> <li>• To qualify as an SLMB Only, individuals must be enrolled in Part A. Part A coverage is not a factor for full Medicaid eligibility.</li> </ul> |



# Medicare Savings Programs: “Dual Eligibles” (cont.)

## Specified Low-Income Medicare Beneficiary (SLMB) Plus

| Benefits & Qualifications | Description   |
|---------------------------|---|
| <b>Benefits</b>           | <ul style="list-style-type: none"><li>• Full Medicaid coverage</li><li>• Medicaid pays Part B premiums</li></ul>  |
| <b>Qualifications</b>     | <ul style="list-style-type: none"><li>• Income must be more than 100% but less than 120% of the FPL</li><li>• States determine resources criteria</li><li>• To qualify as a SLMB Plus, individuals must be enrolled in Part A. Part A coverage is not a factor for full Medicaid eligibility.</li><li>• To qualify for full Medicaid benefits, an individual must meet financial and other criteria</li></ul> |

# Medicare Savings Programs: “Dual Eligibles” (cont.)

## Qualifying Individual (QI)

| Benefits & Qualifications | Description  |
|---------------------------|--|
| <b>Benefits</b>           | <ul style="list-style-type: none"><li>• Medicaid pays Part B premiums</li></ul>  |
| <b>Qualifications</b>     | <ul style="list-style-type: none"><li>• Income must be at least 120% but less than 135% of the FPL</li><li>• Resources must be no more than 3 times the SSI resource limit, adjusted annually according to CPI increases</li><li>• To qualify as a QI, individuals must be enrolled in Part A. Part A coverage is not a factor for full Medicaid eligibility.</li><li>• Beneficiaries under this program are not otherwise eligible for full Medicaid coverage through the State</li></ul> |

# Medicare Savings Programs: “Dual Eligibles” (cont.)

## Qualified Disabled Working Individual (QDWI)

| Benefits & Qualifications | Description  |
|---------------------------|--|
| <b>Benefits</b>           | <ul style="list-style-type: none"><li>• Medicaid pays Part A premiums</li></ul>  |
| <b>Qualifications</b>     | <ul style="list-style-type: none"><li>• Income must be no more than 200% of the FPL</li><li>• Resources must be no more than 2 times the SSI resource limit</li><li>• The individual with a qualifying disability lost free Part A coverage upon returning to work and now must enroll in and purchase Part A coverage</li></ul> |

# Suggested Resources

- Medicaid.Gov Eligibility Resource <https://www.medicaid.gov/medicaid/eligibility/index.html>
- Centers for Medicare and Medicaid Services (CMS)
  - Medicare Learning Network: Dual Eligible Beneficiaries Under Medicare and Medicaid [https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/Medicare Beneficiaries Dual Eligibles At a Glance.pdf](https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/Medicare%20Beneficiaries%20Dual%20Eligibles%20At%20a%20Glance.pdf)
  - Listing of Medicaid Eligibility Groups <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/Downloads/List-of-Eligibility-Groups.pdf>
  - People Dually Eligible for Medicare and Medicaid [https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/MMCO Factsheet.pdf](https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/MMCO_Factsheet.pdf)
- Kaiser Family Foundation:
  - Medicaid Financial Eligibility Survey for Seniors and People with Disabilities, 2018. <http://files.kff.org/attachment/Issue-Brief-Medicaid-Financial-Eligibility-for-Seniors-and-People-with-Disabilities-Findings-from-a-50-State-Survey>
  - Medicaid and CHIP Eligibility, Enrollment, and Cost Sharing Policies as of January 2020: Findings from a 50-State Survey <https://www.kff.org/coronavirus-covid-19/report/medicaid-and-chip-eligibility-enrollment-and-cost-sharing-policies-as-of-january-2020-findings-from-a-50-state-survey/>