

“Newly Eligible” Medicaid, Medicaid Buy-In and Medicare

What Difference Will It Make for People with Disabilities?

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“Newly Eligible” Medicaid

- Designed to give basic coverage to millions of low-income, uninsured Americans
- To be eligible, you must:
 - Be under age 65
 - Not be an undocumented immigrant
 - Have income up to 133% of the federal poverty level (FPL) using the IRS’s “modified adjusted gross income” (MAGI)
 - Not be entitled to or enrolled in Medicare Part A or enrolled in Medicare Part B

“Newly Eligible” Medicaid

- No asset limit
- Very low out-of-pocket costs, and no premiums

“Newly Eligible” Medicaid

Covered Services

- States have the option for Newly Eligible Medicaid to provide lesser coverage than state plan Medicaid
- Coverage may be the same as a “benchmark” plan, which may be Blue Cross/Blue Shield, state employees health insurance, HMO, or another plan approved by the feds.

OR

- A “benchmark equivalent” package that includes at least the following:

“Newly Eligible” Medicaid

Covered Services

1. Inpatient and outpatient hospital
 2. Doctors’ medical and surgical
 3. Laboratory and X-ray
 4. Well-baby and well-child care, including immunizations
 5. “Other appropriate preventive services”
 6. Prescription drugs
 7. Mental health treatment
 8. Vision and hearing
- 1 – 5 must be covered at a level comparable to the “benchmark” plan, but 6 – 8 may be covered at somewhat lower levels than the benchmark plan.

“Newly Eligible” Medicaid

Covered Services

- EXCEPTION:
- People who either:
 - Meet the Social Security definition of “blind or disabled”, or
 - Meet the HHS Secretary’s criteria as “medically frail and special medical needs individuals”

will qualify for full state plan Medicaid benefits, and may not be limited to “benchmark” or “benchmark equivalent” coverage.

“Newly Eligible” Medicaid

- Much higher federal funding level:
 - 100% in 2014 - 2016
 - 95% in 2017
 - 94% in 2018
 - 93% in 2019
 - 90% in 2020 and future years
- States can increase Medicaid eligibility to non-pregnant, childless adults starting April 1, 2010, but they won't get higher levels of federal funding for it until 2014.

“Newly Eligible” Medicaid

- States that increase Medicaid eligibility to adults with incomes up to 100% FPL before 2014 will get phased-in increases in federal funding for non-pregnant, childless adults.
- By 2019, they’ll get the same level of federal funding as states that didn’t expand Medicaid eligibility until 2014 (93% in 2019, 90% in 2020).

“Newly Eligible” Medicaid

What’s in It for People with Disabilities?

- Coverage for low-income adults with no kids whose disabilities are not severe enough to get Medicaid based on disability
- Even if disability is significant enough to get Medicaid based on disability, may get Newly Eligible Medicaid quicker, since there’s no disability determination (but coverage may be less if they don’t get disability determinations)
- Coverage for some people on Social Security Disability Insurance (SSDI) who must wait 2 years to get Medicare

Employed Individuals with Disabilities (EID) Medicaid

- Maryland's Medicaid Buy-In Program
- Designed to encourage people with disabilities to work, or to increase their earnings
- Ensures they can get and keep Medicaid even if their earnings are quite high

Employed Individuals with Disabilities (EID) Medicaid

- To be eligible, you must:
 - Have a disability that meets Social Security's medical criteria
 - Be 18 - 64 years old
 - Work for pay
 - Meet income and resource limits (much higher than for other Medicaid programs)

Newly Eligible Medicaid vs. EID Medicaid

Disability requirement

- Newly Eligible Medicaid - no disability required, so no disability determination
- EID Medicaid - must have a disability that meets Social Security's medical criteria.
- If you already get SSDI (or, in many cases, if you have lost SSDI or SSI due to income or assets), you don't need another disability determination.
- If you've never had SSDI or SSI, you have to get a disability determination.

Newly Eligible Medicaid vs. EID Medicaid

Resource limit

- Newly Eligible Medicaid - No limit
- EID Medicaid - \$10,000

Newly Eligible Medicaid vs. EID Medicaid

Monthly Premiums

- Newly Eligible Medicaid - none
- EID Medicaid - \$0 - \$55

Newly Eligible Medicaid vs. EID Medicaid

Work Requirement

- Newly Eligible Medicaid - don't need to work
- EID Medicaid - must work for pay (but no minimum earning level)

Newly Eligible Medicaid vs. EID Medicaid

Income limit

- Much higher for EID
- An unmarried, childless person can earn up to these amounts (using 2010 figures):
 - Newly Eligible Medicaid - \$1,200/month (may be less depending on other income)
 - EID Medicaid - \$5,500/month (may be less depending on other income)

Newly Eligible Medicaid vs. EID Medicaid

Interaction with Medicare

- Newly Eligible Medicaid - not available to people eligible for Medicare
- EID Medicaid - most people enrolled now also have Medicare
- Eliminates almost all out-of-pocket Medicare Parts A, B and D costs - saves person \$1,000/year to over \$12,000/year
- Much higher income limit than other Medicare savings programs (Qualified Medicare Beneficiary, Special Low Income Medicare Beneficiary) - can earn much more without having to pay Medicare costs

Newly Eligible Medicaid vs. EID Medicaid

Benefits Package

- **Newly Eligible Medicaid** – at least “benchmark” or “benchmark equivalent” coverage, which may be less than state plan Medicaid, but full state plan Medicaid if receive disability determinations and meet SSA disability definition or “medically frail and special medical needs individuals”
- **EID Medicaid** – full state plan Medicaid benefits

Medicaid and Other Insurance

- Can buy health insurance through exchanges if on Medicaid (but not Medicare)
- Why buy insurance through exchange if on Medicaid?:
 - Much larger choice of providers
 - Very few on Newly Eligible Medicaid will likely buy insurance due to low incomes
 - Some on EID (who are not eligible for Medicare) may buy insurance and use EID Medicaid to supplement it

Why Will We Still Need EID?

- Encourages work and greater independence
- Much higher income limit - protects Medicaid even with substantial earnings; encourages people to increase earnings above limits for other programs
- Reduce or eliminate Medicare out-of-pocket costs - greater incentive to work

Changes to Medicare Part D

Closing donut hole by 2019

- \$250 rebate for people in the donut hole in 2010
- Reduce person's share of drug costs in the donut hole from 100% in 2010 to 25% in 2020
- Reduce out-of-pocket amounts a person must pay to get catastrophic coverage (where plan covers 95%)

Changes to Medicare Part D

- Changing annual enrollment period from November 15 – December 31 to October 15 – December 7. People can make as many changes as they want during this period; the final change will “stick”.
- Uniform exceptions and appeals process people can use via phone or web
- Increase Part D premiums for higher-income beneficiaries

Other Medicare Changes

- Free annual check-up and no cost sharing for some preventative services
- Improvements to care coordination for people who get both Medicare and Medicaid through new Federal Coordinated Healthcare Office
- Some people with high incomes will pay higher Part B premiums in 2011 - 2019

Other Medicare Changes

- Independent Payment Advisory Board
- If total Medicare program costs exceed certain levels, the board will recommend cost-saving measures
- Board can't recommend:
 - Rationing care
 - Increasing revenues
 - Changing benefits, eligibility or cost sharing, Part D premium percentages or low income subsidies