Medicaid Provision Highlights

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Overview

- "Approaching the elephant"
- Medicaid eligibility expansion
- Income disregards & asset requirements
- Federal match $$
- (Some) provisions related to long term care
- Questions & Discussion

A Sage Observation…

"The more you know about Medicaid, the more you realize what you <u>don't</u> know about Medicaid."

--Trish Martin to Tracy Williams

May 1999

Notes on Approach…

- Everyone sees different possibilities in the reform legislation

- How do we get a clear picture & establish action steps forward?

Approach, 2

- Implementation time frames
- Mandatory or optional?
- Transformational or strategic questions
  - Rethink the status quo
  - Accomplish steps toward broad policy goals
- Estimated costs & matching rates
- Partnerships needed
- Infrastructure issues

Approach, 3

- Interagency state team led by Amy McGee
- ODJFS staffing for federal reform
  - Trish Martin – lead
  - Core team of subject matter experts
  - Others will be involved on topic-specific basis

Caveats

- This presentation is intended to provide highlights of Medicaid-related items
  - Not inclusive of all possibilities
  - Does not reflect prioritization, decisions, funding commitments, etc.
  - Information may be incomplete as additional federal clarification is anticipated

Eligibility Expansion

- Non-pregnant adults under 65 who are not eligible for Medicare and not within any other mandatory eligibility category
- January 1, 2014
- Benefit package = benchmark or benchmark equivalent
- Federal reimbursement: 100% through CY 2016, then decreasing to 90% by 2020

State Requirements/Options

- **States must** maintain eligibility standards, methodologies & procedures that were in place at enactment until:
  - January 2014 for folks up to 133%
  - The exchange is optional for others
- **States may** enroll members of the expansion population earlier than 2014 at "regular" FFP

Eligibility: Income & Asset Changes

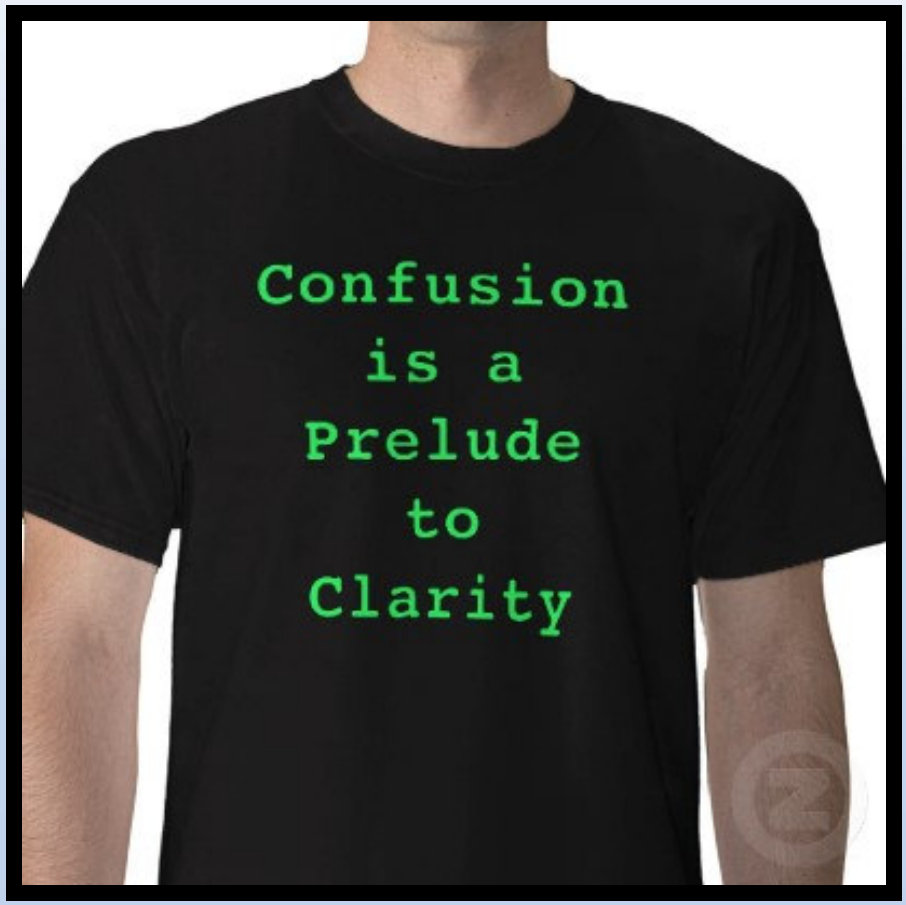
- Effective 1/1/14, states must use modified gross adjusted income (MAGI) and household income in order to determine Medicaid eligibility
  - MAGI = adjusted gross income per the IRS
    - PLUS: any foreign earned income or housing costs
    - PLUS: tax-exempt interest received by taxpayer
  - Household income = MAGI of the individual
    - PLUS: MAGI of others in the household who are required to file a tax return

Income Disregards

- Generally, states are prohibited from using income disregards other than MAGI deductions/credits
- **EXCEPT**: Section 1902(e)(14)(B)
  - States must disregard the "dollar equivalent of the difference between the upper income limit on eligibility for an individual (expressed as a percentage of the FPL) and such upper income limit increased by 5 percentage points."

Income Disregards, 2

- Initial analysis: applicable poverty levels are increased by 5 percentage points
- In essence, individuals at 138% FPL (using MAGI) will be eligible



Income Disregards, 3

- States must convert current eligibility standards to MAGI
  - Ohio must discern what level of MAGI is currently covered if we were not to include disregards & exemptions
  - EXAMPLE: State with current coverage to 100% FPL after disregards may determine that it is covering to 115% FPL using MAGI
  - This analysis will take some time

Income Disregards, 4

- Individuals exempt from the new MAGI requirements are listed in Section 1902(e)(14)(D)
- Exemptions are generally the current folks receiving cash assistance, SSI, RSS, foster children, Ribicoff kids (age 19-20), those receiving Medicare Premium Assistance, LTC services, waiver services

Assets

- Effective 1/1/14, states shall not require asset tests for individuals <u>except</u> those listed in Section 1902(e)(14)(D)
- Exemptions are generally the current folks receiving cash assistance, SSI, RSS, foster children, Ribicoff kids (age 19-20), those receiving Medicare Premium Assistance, LTC services, waiver services

Future Analysis Needed…

- How Ohio's current benefit compares to benchmark plan definitions
- Per member per month (PMPM) estimates for the expansion population
- Determine Ohio's crosswalk to MAGI
- Ohio may examine its 209(b) spend down status in light of new income & asset rules

FFP* for the Expansion Folks

- Three ways to be newly eligible:
  - Childless adults
  - Income is higher than previously covered in state plan.
    - Example: state covers parents to 75% FPL with disregards, which = 87% FPL under MAGI. In that state expansion folks are 87%-133% FPL
  - No longer have to meet asset test

** FFP = Federal Financial Participation*

FFP Commitment

- For the expansion population:
  - 100% federal match for CYs 14, 15, 16
  - 95% FFP for CY 17
  - 94% FFP for CY 18
  - 93% FFP for CY 19
  - 90% FFP in CY 20

FFP Commitment, 2

- For non-expansion newcomers: regular FFP
- CHIP: existing rates through 9/15, then 23% increase. MAGI applies 1/14.
- Differing FFP for various services

(Some) LTC Provisions

- Community First Choice Option
  - Enhanced FFP (+6% points) for state plan attendant supports to individuals to 150% FPL
- Money Follows the Person
  - Grant extension through 9/30/16
  - Reduction from 180 days to 90 the institutional residence requirement
- New HHS office to focus on dual eligibles

Questions & Discussion