Medicaid 101: Non-MAGI Budgeting

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Empire Justice Center
August 28, 2018
Agenda

- Non-MAGI Medicaid
- Strategies for keeping Medicaid with Excess Income:
  - Spenddown
  - Supplemental Needs Trusts (SNT)
  - Spousal Refusal
  - For MTLC:
    - Spousal budgeting
    - Housing Disregard
Non-MAGI vs. MAGI Medicaid
MAGI Coverage by Income Level

For a full chart, click [here](#)
Non-MAGI Medicaid

- Administered through the Local District Social Services
- Includes:
  - SSI-related Medicaid
  - ABD Medicaid
  - MSP & MBI-WPD

**Income and Resource limits**

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Monthly Income Limit</th>
<th>Asset Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$842</td>
<td>$15,150</td>
</tr>
<tr>
<td>2</td>
<td>$1,233</td>
<td>$22,200</td>
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</table>
# Eligibility Groups

<table>
<thead>
<tr>
<th>MAGI</th>
<th>Non-MAGI</th>
</tr>
</thead>
</table>
| **New Adult Group:** Childless adults, which include individuals that are:  
- Not pregnant  
- Age 19-64 (19 & 20 living alone) without Medicare  
- Could be certified disabled but don’t have Medicare yet | **SSI:**  
- SSI recipients  
- State Supplement only |
| **Infants and Children under 19** | **SSI-related Medically Needy:**  
- Aged, Disabled, or Blind |
| **Parents/Caretaker Relatives** | **ADC-related Medically Needy:**  
- Under 21 years old  
- Parent Caretaker Relatives  
- Pregnant Women |
| **Pregnant Women** | Medicare Savings Program |
| **19 & 20 Year Olds Living with Parents** | AIDS Health Insurance Program (AHIP) |
| **Family Planning Benefit Program:** if applying through NYSoH & are eligible for FPBP only | Medicaid Buy-In for Working People with Disabilities |
| **Child in Foster Care (Chaffee): MAGI administered in WMS** | COBRA |
What to do with Excess Income?

• Spenddown;

• Supplemental Needs Trust;

• Spousal Refusal;

• Medicaid Buy-In for Working People with Disabilities (MBI-WPD);

• Medicare Savings Programs;

• For MLTC:
  • Spousal Budgeting; and
  • Housing Disregard

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Spenddown

- To qualify for spenddown you must either
  - Have (incur) medical bills which meet or exceed your spenddown obligation or
  - Pre-pay (“pay-in”) the amount of your monthly spenddown

- Spenddown amount must be met each month to activate Medicaid coverage

- Clients need six months’ worth of spenddown to activate inpatient hospital coverage
More on spenddown

- Medicaid applicants can use bills from prior months to meet future spenddown
  - PAID bill from past 3 months, plus month of application
  - UNPAID bills (no time limit) if still viable

- Money paid by certain other programs counts towards spenddown:
  - EPIC
  - ADAP

- Remember that you can get deemed into Extra Help by meeting spenddown for just one month

- Also – pooled supplemental needs trust can be used to meet spenddown
SNTs

- “Pooled Trust” for shielding income.
  - Excess income deposited directly into the trust
- Only for people with disabilities (including age 65+ with disability).
- Trust can pay third parties for shelter, food, clothing, recurring bills, etc. (Different trusts have different rules)
- No direct payments to beneficiary
Pooled Income Trust (cont’d)

- Must be established by a non-profit that pools deposits of multiple beneficiaries
- Pooled trusts have start up costs and monthly fees. Amounts vary by trust.
  - Remainder stays with the trust.
Pooled Income Trust (cont’d)

• People 65+ must obtain a disability determination if they don’t already have one
  
  o Requires several forms to be submitted to LDSS with trust. See [http://www.wnyc.com/health/entry/44/](http://www.wnyc.com/health/entry/44/)

• How much to contribute?
  
  o Speddown Amount
  
  o Less than Speddown ➔ If low monthly bills and concerns about accumulating a balance
Medicaid Buy-In for Working People with Disabilities

- Must be certified disabled, aged 16-65, working (no minimum number of hours)
- Income threshold: 250% FPL after income disregards have been applied
- More generous resource disregards
  - Retirement accounts excluded
  - $20,000 asset limit / singles; $30,000 asset limit / couples
- Can reimburse cost of Part B premiums, if not eligible for MSP enrollment
Other MBI-WPD Eligibility Factors

- No minimum number of working hours
- No “Substantial Gainful Activity” (SGA) requirement
- No minimum wage requirement
- Must be disabled, or potentially disabled and can have disability determined by State disability Review Team but not necessarily on SSD
- Can be on waiting period for Medicare or receiving Medicare.
- Can also get MSP, but not QI.
- Technically supposed to have a premium between 150-250% FPL, but there is moratorium on these premiums now (see GIS 14 MA/013)
- Retirement accounts do not count toward resource limits
2 Eligibility Groups

- Basic Coverage – “regular” MBI-WPD
- Medical Improvement – allows for coverage to continue when a person is still considered disabled or impaired, but is considered to be medically improving.
  - Must work 40 hours/mo, but can request a grace period
  - See 10ADM-2 for further info
Medicare Savings Programs

- Three different programs:
  - QMB (100% FPL or $1,012/$1,372)
  - SLMB (120% FPL or $1,214/$1,646)
  - QI (135% FPL or $1,366/$1,852)
- All pay for Part B monthly premium
- QMB also covers Part A premiums, deductibles and co-pays
- QMB and SLIMB recipients can also receive Medicaid
- Apply through local Medicaid office or via SSA Extra Help application
- MSP removes Part B late enrollment penalty / waiting period to enroll!
- Cannot spenddown to MSP level, but may use SNT.
Spousal Refusal

• When spouse’s income is a barrier to enrolling in Medicaid
• Spouse must sign refusal form with LDSS/HRA
• Refusing spouse may be sued
• Refusing spouse ineligible for Medicaid
• May be used to access Medicaid and MSP
Options for MLTC Beneficiaries

- Housing Disregard (in limited circumstances)
- Spousal Budgeting
MLTC Housing Allowance

- Income disregard available to individuals discharged to the community from:
  - A Nursing Home, or
  - An Adult Home
- Cannot already be in MLTC
- If married, cannot use both spousal impoverishment protections and the Housing Disregard – must choose
MLTC Housing Allowance Requirements

1. Nursing Home or Adult Home stay
   - Nursing Home for at least 30 days prior to day of discharge AND Medicaid made a payment towards nursing home stay
   OR
   - Adult Home stay prior to discharge AND on Medicaid while in the adult home

2. Have a housing expense

12 ADM-05:
(https://www.health.ny.gov/health_care/medicaid/publications/adm/12adm5.htm)
## MLTC Housing Allowance (2018)

<table>
<thead>
<tr>
<th>Region</th>
<th>Counties</th>
<th>Deduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central</td>
<td>Broome, Cayuga, Chenango, Cortland, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, St. Lawrence, Tioga, Tompkins</td>
<td>$417</td>
</tr>
<tr>
<td>Long Island</td>
<td>Nassau, Suffolk</td>
<td>$1,274</td>
</tr>
<tr>
<td>NYC</td>
<td>Bronx, Kings, Manhattan, Queens, Richmond</td>
<td>$1,305</td>
</tr>
<tr>
<td>Northern Metropolitan</td>
<td>Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, Westchester</td>
<td>$935</td>
</tr>
<tr>
<td>Rochester</td>
<td>Chemung, Livingston, Monroe, Ontario, Schuyler, Seneca, Steuben, Wayne, Yates</td>
<td>$424</td>
</tr>
<tr>
<td>Western</td>
<td>Allegany, Cattaraugus, Chautauqua, Erie, Genesee, Niagara, Orleans, Wyoming</td>
<td>$367</td>
</tr>
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</table>
Spousal Impoverishment Budgeting

• Option for married couples where one spouse is in MLTC
  o (also used when spouse is in a waiver program or nursing home)
  o Works almost the same as for nursing home with some minor variations

• MLTC applicant with a **Community Spouse** may shelter:
  o Up to $3,090/month of joint income
  o Plus retain $391/month personal needs allowance
  o Up to $74,820 of assets

- GIS 17 MA/020 - 2018 Medicaid Levels and Other Updates
Case Scenario: Morgan & Chris

- Morgan and Chris are married
- Both are on Social Security Disability (SSD) & receive Medicare
- Morgan needs community-based long term care
- Morgan applies for Medicaid

<table>
<thead>
<tr>
<th></th>
<th>Morgan</th>
<th>Chris</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>$2,000</td>
<td>$1,500</td>
</tr>
<tr>
<td>Medicare Part B premium</td>
<td>$134</td>
<td>$134</td>
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Spousal Impoverishment
Budgeting Terminology

• **Community Spouse (CS)** – Spouse that is not in need of MLTC

• **“Institutionalized” or MLTC Spouse** – Spouse that needs MLTC

• **Minimum Monthly Maintenance Needs Allowance (MMMNA)** - Maximum income the community spouse may keep ($3,090 )

• **Community Spouse Monthly Income Allowance (CSMIA)** – Amount the MLTC spouse may shift to the community spouse to bring CS income up to MMMNA

• **Personal Needs Allowance (PNA)** – Amount the MLTC spouse may keep ($391 )
Step 1: Determine Max CSMIA

CSMIA = MMMNA – CS’s Net Income

1. Determine Community Spouse’s Net Income
2. Subtract Community Spouse’s Net Income from MMMNA

<table>
<thead>
<tr>
<th>Chris’s Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSD</td>
</tr>
<tr>
<td>Part B</td>
</tr>
<tr>
<td>Net Income</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chris’s CSMIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>MMMNA</td>
</tr>
<tr>
<td>Net income</td>
</tr>
<tr>
<td>CSMIA</td>
</tr>
</tbody>
</table>
Step 2: Apply CSMIA & PNA

- Morgan & Chris keep all of their income
- Chris gets less than the max CSMIA, because the couple’s income is not high
- They have no spenddown, but could if their income were higher

### Morgan & Chris

<table>
<thead>
<tr>
<th></th>
<th>Morgan</th>
<th>Chris</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>$1,846</td>
<td>$1,366</td>
</tr>
<tr>
<td>PNA (amount Morgan keeps)</td>
<td>-$391</td>
<td></td>
</tr>
<tr>
<td>CSMIA (“transferred” to Chris)</td>
<td>-$1,455</td>
<td>$1,455</td>
</tr>
<tr>
<td>Excess Income/Spenddown</td>
<td>$0</td>
<td></td>
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Converting to Spousal Impoverishment Budgeting

• Enrolling in MLTC doesn’t automatically change the budgeting!

• As soon as applicant is enrolled in an MLTC, submit DOH Request for spousal Impoverishment Assessment Form to LDSS / HRA
  
  o HRA and some other counties prefer MLTC Plan, not Member, submit this request

• Form available at page 9 of
Questions?
Contact Information

- **Health Intake**
  - 1-800-724-0490 x5822
  - [health@empirejustice.org](mailto:health@empirejustice.org)