

# TRANSITIONING FROM MEDICAID TO MEDICARE: PREVENT PEOPLE FROM FALLING THROUGH THE CRACKS

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# FRAMING THE DISCUSSION

## The New Health Care Law

- Created opportunities for people to get health insurance
- One of these opportunities let's low-income adults sign up for Medicaid
- So far 28 states and the District of Columbia offer the new Medicaid expansion coverage

## The Bad News

Even if you qualify for the Medicaid expansion, once you become eligible for Medicare, you no longer qualify for the Medicaid expansion.

# Potential for People to Fall Through the Cracks

Four ways:

- Income eligibility
- Resource eligibility
- Affordability
- Enrollment

## Income Eligibility

After transitioning onto Medicare some low-income individuals likely to be:

- Above income thresholds for traditional Medicaid
- Eligible for one of the Medicare Savings Programs (MSPs): QMB, SLMB, and QI

# Resource Eligibility

- No asset test required to qualify for the Medicaid expansion
- After transitioning onto Medicare, asset test is required to qualify for traditional Medicaid and/or MSPs

# Affordability

The Medicaid expansion and the tax credits associated with Exchange coverage end when a person turns age 65 or otherwise qualifies for Medicare

Leave some individuals exposed to higher out-of-pocket costs than they would have under Medicaid or in subsidized Exchange plans for:

- Medicare Premiums
- Medicare cost sharing
- Medicare Part D coverage



# Enrollment

- Application processes for traditional Medicaid and MSPs are more involved than those associated with expansion Medicaid
- Many more documents are required for the traditional application process
- Some will feel stigmatized by the process; others will fall through the cracks due to lack of knowledge

# Enrollment, con'td

- Medicare does not send notices
- People could mistakenly miss timeline for signing up
- People may not know about late enrollment penalties
- People may not know about the Medicare prescription drug low-income subsidies

# Some Solutions

- Timely beneficiary notices
- Automatic re-assessment by state Medicaid programs
- Eliminate the asset test for the MSPs
- Outreach and education about:
  - transition rules
  - the possibility of being re-assessed for traditional Medicaid and/or MSPs, LIS
  - the impact of asset counting rules, including asset transfer implications

# Some Solutions

- Train Navigators to assist those who are transitioning
- On-the ground beneficiary assistance with the application process

# Next Presenters

Stacy Sanders

Medicare Rights Center

Federal Solutions to Ease Transitions

Amber Cutler

National Senior Citizen's Law Center

State Specific Fixes to Transition Issues

# QUESTIONS AND DISCUSSION



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# **ACA Transitions to Medicare and Medicaid: Preventing the Coverage Gap – State Specific Fixes**

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Amber Cutler, Staff Attorney  
National Senior Citizens Law Center





*The National Senior Citizens Law Center is a non-profit organization whose principal mission is to protect the rights of low-income older adults. Through advocacy, litigation, and the education and counseling of local advocates, we seek to ensure the health and economic security of those with limited income and resources, and access to the courts for all. For more information, visit our Web site at [www.NSCLC.org](http://www.NSCLC.org).*

# Coverage Transitions for Older Adults

## Medi-Cal Expansion Coverage Ends

- Turn 65
- Eligible for Medicare

## Financial Assistance Ends on Covered California

- Eligible for Medicare

# Coverage Transitions

## Example: Income Gap

**Rule:** To obtain traditional Medicaid coverage, a beneficiary must meet traditional Medicaid income guidelines.

**Example:** Ms. Smith has expansion Medicaid under MAGI rules, but loses this coverage when she starts getting Medicare after turning 65. Ms. Smith has 1300.00 in an employee pension. Her income is too high to qualify for traditional Medicaid.

**Advocacy Assistance:** Ms. Smith will need help with...

- Identifying alternative Medicaid programs with higher income limits.
- Identifying appropriate deductions that reduce countable income
- Review for eligibility for Medicare Savings Programs
- Review for eligibility for Part D Low Income Subsidy

# Coverage Transitions

## Example: Income Gap

### State-Specific Long-Term Fixes

- Increase the Medicaid Income Limit
- Adopt MAGI for Counting Rules

#### California

-Introduced Bill to increase income limit to 138%

#### Minnesota

-Introduced Bill to increase income limit to 138% & use MAGI counting rules

# Coverage Transitions

## Example: Resource Gap

**Rule:** To obtain traditional Medicaid coverage, a beneficiary must meet traditional Medicaid asset/resource guidelines.

**Example:** Mr. Jones has expansion Medicaid under MAGI rules, but loses this coverage when he turns 65. Mr. Jones Social Security retirement benefit is only \$945.00, but he has \$6500.00 in savings. Under traditional Medicaid rules, Mr. Jones is ineligible because his resources exceed \$2000.00.

**Assistance:** Mr. Jones will need...

- Adequate education & notice of what traditional Medicaid limits are and the rules on transfers of assets.
- Low-cost counseling and legal advice so he does not inadvertently disqualify himself for Medicaid program.

# Coverage Transitions

## Example: Resource Gap

### State-Specific Long-Term Fixes

- Increase or Eliminate Resource Limit

#### Minnesota

Attempted to raise income limit from \$3,000 to \$12,000

# Coverage Transitions

## Example: Benefit Gap

**Example:** Mr. Jones has expansion Medi-Cal, but loses this coverage when he obtains Medicare. Mr. Jones qualifies for traditional Medi-Cal, but his coverage under the ABP included extensive substance use treatment – a benefit traditional Medicaid does not cover in his state.

**Assistance:** Mr. Jones will need assistance identifying alternative sources for substance abuse treatment help– if any is available.

# Coverage Transitions

## Example: Benefit Gap

### State-Specific Long-Term Fixes

- Advocate for identical benefit packages

#### California

- Alternative benefit package = traditional benefit package



# Resources

- NSCLC Website
  - [www.nsclc.org](http://www.nsclc.org)
  - Amber Cutler – [acutler@nsclc.org](mailto:acutler@nsclc.org)
  - Issue Brief: Medicaid Expansion in California: Opportunities and Challenges for Older Adults and People with Disabilities.
- NHeLP
  - [www.healthlaw.org](http://www.healthlaw.org)
- Centers for Budget and Policy Priorities
  - [www.cbpp.org](http://www.cbpp.org)
- Kaiser Family Foundation
  - <http://kff.org/health-reform/>
- HealthCare.gov

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# **After the Affordable Care Act— Federal Solutions to Ease Medicare Transitions**

National Home & Community Based Services Conference  
September 17, 2014

**Stacy Sanders**

Federal Policy Director

# Transitioning to Medicare

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## Medicare transitions in a post-ACA world:

- ❖ Qualified Health Plan (QHP) → Medicare
- ❖ Small Business Health Options Plan (SHOP) → Medicare
- ❖ Medicaid → Medicare
- ❖ Medicaid → Medicare/Medicaid
- ❖ Medicaid → Medicare + Medicare Savings Program (MSP)

# Expansion Medicaid → Medicare

## Federal Policy Solutions: Congress should...

- ❖ Align income and asset tests
  - Across Medicaid—138% FPL + no asset test
  - Increase MSP income threshold to 138% FPL
  - Eliminate or increase the MSP asset test
  - OR align MSP and Extra Help asset counting
- ❖ Require facilitated data sharing across agencies
- ❖ Increase funding for consumer counseling (SHIPs)

# Expansion Medicaid → Medicare

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## Federal Policy Solutions: CMS should...

- ❖ Provide direction to State Medicaid Offices
  - State flexibility on MSP income disregards
  - Application simplification
  - Data sharing across state agencies
  - Screening for *all* Medicaid programs
  - MSP and Medicaid incorporation in state marketplace
- ❖ Notify and educate those new-to-Medicare

# Marketplace → Medicare

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## **Federal Policy Solutions:** Across branches...

- ❖ Notify and educate those new-to-Medicare
  - Ideally—provide notice from SSA
  - Consider uniform notice by Marketplace plans
  - Leverage and educate employers
- ❖ Rationalize the Part B enrollment system
  - Transition challenges persist for all coverage types

# Transitioning to Medicare

## Resources:

- ❖ Medicare Rights: [“A Bridge to Health: Ensuring Seamless Transitions from Health Insurance Exchanges and Medicaid to Medicare”](#)
- ❖ NSCLC: [“Medicaid Expansion in California: Opportunities and Challenges for Older Adults and People with Disabilities”](#)
- ❖ Medicare Rights: [Toolkit on Medicare & the Marketplace](#)
- ❖ CMS FAQs: [Medicare & the Marketplace](#)

- ❖ Visit us at [www.medicarerights.org](http://www.medicarerights.org)
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