

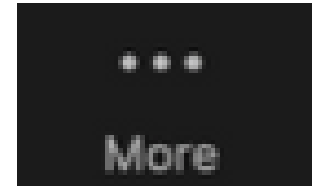
Beyond 
the Basics

Non-MAGI Medicaid Eligibility: Core Concepts for Enrollment Assisters

April 16, 2024

Webinar Logistics

- After the webinar, we'll circulate the slides, a video recording of this presentation, and other resources. We'll also post everything to the Beyond the Basics website.
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 - We will be monitoring questions and will pause for Q&A during the presentation.
 - We may not be able to answer every question asked, but we will have a record of all your questions and will use them as a guide for future resources and presentations.
 - You can also email your questions during and after the webinar to beyondthebasics@cbpp.org



Agenda

- Key Terms to Understand Non-MAGI Eligibility
- What is the Non-MAGI Eligibility Pathway to Medicaid?
- Q&A
- Medicaid Application Process for Non-MAGI Eligibility Categories
- Applicant and Enrollee Rights
- Understanding Coverage Transitions for Non-MAGI Medicaid
- Resources
- Q&A

Key Terms to Understand Non-MAGI Eligibility



Key Definitions

For more information see the *Beyond the Basics* [Yearly Income Guidelines and Thresholds](#)

- **MAGI (Modified Adjusted Gross Income):** Simplified income methodology used to determine eligibility for Insurance Affordability Programs (IAPs), including Premium Tax Credits (PTCs) and Cost-Sharing Reductions (CSRs) in ACA marketplaces, as well as in many Medicaid eligibility categories and in the Children's Health Insurance Program (CHIP), in which income and family size are compared to the Federal Poverty Level (FPL)
- **Federal Poverty Level (FPL):** Measure of income issued annually and used to determine eligibility for certain programs and benefits, including Medicaid, CHIP, and Marketplace coverage; [2024 FPLs](#)
- **Means-tested:** Programs that limit eligibility to individuals whose incomes and/or assets fall below a pre-determined threshold
- **Dual Eligibles:** Individuals who are entitled to Medicare Part A and/or Part B *and* are eligible for some form of Medicaid benefit

Key Definitions

- **Income:** Earnings that come in-hand (*e.g.*, wages, pension benefits, tax refunds) or "in-kind income" (*e.g.*, value of food or shelter received from another person living in the home)
- **Assets** (or resources): Cash or other property that can be liquidated or converted into cash-in-hand (*e.g.*, real property, automobiles, stocks, bonds, savings accounts, life insurance policies)
- **Disregards:** Amounts that are deducted from income and assets to determine the "countable" income and assets used to determine Medicaid eligibility
- **Exemptions:** Allowable exclusions of certain income and/or assets in order to calculate "countable" income and assets when determining Medicaid eligibility
- **Deeming:** When a state considers income or assets automatically available (*e.g.*, spouse of an individual; parent for a child under age 21)

Key Definitions

- **Supplemental Security Income (SSI):** Monthly financial benefits paid to people with limited income and resources who are age 65+, blind, or have a qualifying disability
 - Other forms of Social Security Administration (SSA) income that individuals may get depending on their situation include Social Security Disability Income (SSDI) and Retirement, Survivors, and Disability Insurance (RSDI)
- **1634 State:** States in which the SSA determines Medicaid eligibility as well as SSI eligibility; in these states, the SSI application serves as a Medicaid application
 - **209(b) State:** States that have elected to use more restrictive requirements than SSI for deciding who qualifies for Medicaid; in these states, an SSI recipient does not automatically qualify for Medicaid
 - **SSI Criteria States:** States in which SSI eligibility confers categorical eligibility for Medicaid, but SSI applicant must file a separate Medicaid application
 - Check this [SSA webpage](#) to find out which states are 1634, 209(b), or SSI criteria

What is the Non-MAGI Eligibility Pathway to Medicaid?



MAGI v. Non-MAGI Medicaid

MAGI

- Basis for most children, pregnant people, parents/caretaker relatives, and adults
- Considers taxable income and tax filing relationships
- No income disregards that vary by state or eligibility group
- No asset or resource test
- NHeLP [Advocate's Guide to MAGI](#)
- Beyond the Basics: [Income Definitions for Marketplace and Medicaid Coverage](#)

Non-MAGI

- Basis for populations with complex needs
- Unique challenges in accessibility to eligibility and enrollment processes
- Different income eligibility rules than MAGI
- Most are subject to asset test
- Not every state has every non-MAGI category (check state Medicaid websites)

Non-MAGI Categories

Aged (65+), Blind, or Disabled (ABD)

- SSI recipients
- Working disabled individuals

Dual eligibles

- Medicare Savings Programs (MSPs)

Medically needy (spenddown)

People eligible for Medicaid due to the need for institutional or home and community-based services (HCBS)

Non-MAGI Categories (continued)

Individuals determined eligible through Express Lane Agency findings (e.g., TANF, SNAP, NSLP) and newborns of Medicaid-eligible mothers

Children eligible based on severe disabilities

Children receiving Title IV-E and certain non-IV-E foster care, adoption assistance, or kinship guardianship assistance

Former foster youth

Breast and Cervical Cancer Treatment Program (BCCTP)

Workers with Disabilities

- Special rules and programs protect access to Medicaid for workers with disabilities, especially when under a Ticket to Work
- 1619(b) protects Medicaid coverage when an SSI-eligible individual earns too much from employment to receive SSI
 - Individual state thresholds
 - Individualized threshold can be much higher
 - Certain impairment-related work expenses are deducted from earned income
- Medicaid buy-in programs – state option common in HCBS 1915(c) waivers
 - Note: HCBS waivers typically allow much higher incomes, up to 300% FPL

Medicare Savings Programs

- MSPs: programs that allow Medicaid to help pay Medicare premiums and cost-sharing
- Base guidelines below, but some states have higher income limits or waive assets

Program	Coverage	Income Eligibility	Resource Eligibility
Qualified Medicare Beneficiary (QMB)	Part A and Part B premiums, deductibles, & coinsurance	Countable income at or below 100% FPL	Must not exceed 2x SSI resource standard (\$4000/\$6000)
Specified Low Income Medicare Beneficiaries (SLIMB)	Part B premiums	Countable income between 101-120% FPL	Must not exceed 2x SSI resource standard
Qualified Individual (QI)	Part B premiums	Countable income between 121-135% FPL	Must not exceed 2x SSI resource standard
Low Income Subsidy (LIS), aka "Extra Help"	Part D premiums, co-pays, & deductibles	Countable income at or below 150% FPL (new for 2024)	\$15,720/\$31,360; additional if some resources used for burial expenses

Medically Needy

- Individuals who fit into a Medicaid eligibility category, but whose income or assets exceed the categorically needy levels
 - States have option to cover medically needy (except for 209(b) states)
- Must cover certain categories (children, pregnant people), with option to cover others (ABD, caretaker relatives, etc.)
 - Note: in 209(b) states, must allow ABD to spend down
- States must use single income eligibility standard and single asset eligibility standard
 - Medically Needy Income Level (MNIL)
- Allows individuals to "spend down" (incur medical expenses) to the MNIL
 - State chooses budget period between 1 to 6 months
 - Medical bills need only be incurred, not necessarily paid, to apply

Eligibility Rules: Income

- Income and resource counting rules may be no more restrictive than the methodologies used under the most closely related cash assistance program – SSI for people with disabilities or over age 65
- Income: Earnings that come in-hand or "in-kind income." 42 U.S.C. § 1382a
 - Certain income disregards or exemptions that do not count against income limits
 - 42 U.S.C. § 1382a(b); 20 C.F.R. § 416 Subpart K
- Deeming: When a state considers income or resources automatically available
 - To determine income eligibility, it is important to identify the eligibility unit – there could be smaller eligibility units within each household
 - State must not deem income and resources of any relative as available to an individual, but income of stepparents, grandparents, legal guardians, or siblings cannot be deemed for Medicaid purposes

Eligibility Rules: Assets

- Assets (or resources): Cash or other property that can be liquidated or converted into cash-in-hand, such as real property, automobiles, stocks, bonds, savings accounts, or life insurance policies
 - SSI resource exclusions: 42 U.S.C. § 1382b(a) and 20 C.F.R. § 416.1210
- Transfer of Assets:
 - A transfer of assets for less than market value may result in a penalty period in which an otherwise eligible person becomes ineligible for certain limited categories of Medicaid services
 - Penalty applies to otherwise eligible individuals who transfer (or whose spouses transfer) assets (either income or resources) for less than fair market value
 - Look-back period is 5 years
 - 42 U.S.C. § 1396p(c)(1)(D)
 - The “look-back period” is 60 months from the date the individual applies for Medicaid.

Q&A



Medicaid Application Process for Non-MAGI Eligibility Categories



Application Process

- *Should* be able to apply online, by phone, by mail, in person
- State have two non-MAGI application options:
 - Single streamlined MAGI application with supplemental forms
 - Unique Non-MAGI application that “must minimize burden on applicants”
- Currently, states:
 - May require an interview
 - Can accept self-attestation (except citizenship and immigration status)
 - Can verify income post-enrollment
 - Must use data sources to verify eligibility
- Processing time
 - 45 days for all eligibility categories
 - 90 days for determinations on basis of disability

Renewal

- Must be “at least every 12 months”
 - Handful of states currently do more frequently
- “*Ex parte*” or automated renewal (required)
- Renewal forms sent to applicants in advance
- Pre-populated renewal form (optional)
 - 70% of states report using
- Reconsideration period (optional)
 - 85% of states report offering

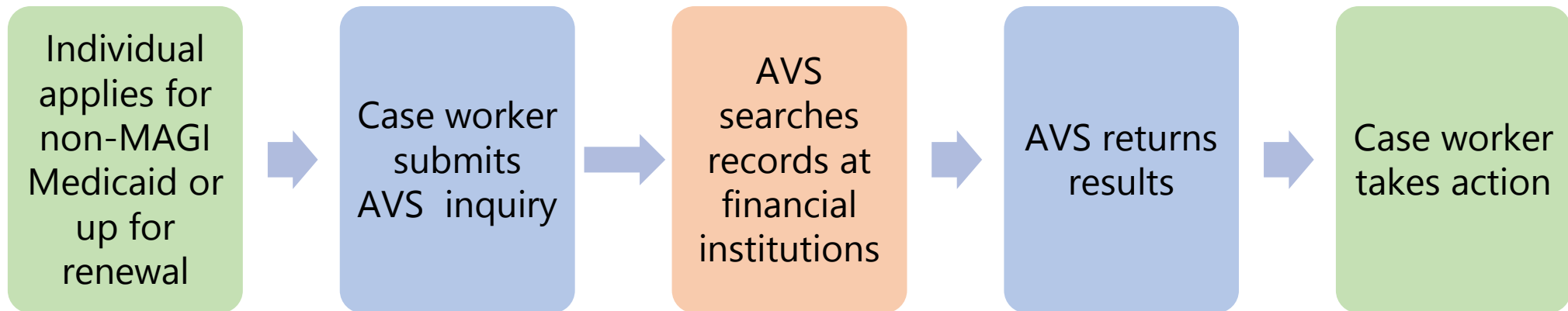
Upcoming Changes

New rules being implemented to better streamline non-MAGI policies; in effect by 2027

- States **must** accept applications via any modality
 - i.e., cannot be required to apply in person only
- In-person interview **will NOT be permitted** as a condition of application
- Renewals **may NOT** be conducted more frequently than 12 months
- Pre-populated renewal form will be **required**
- 90-day reconsideration period will be **required**

Verification

- Asset Verification Systems (AVS) are electronic systems operated by state agencies used to verify non-MAGI applicant or enrollee assets
- Collect information from financial institutions, typically using third-party vendors



The Covington Family

- Eddie (age 54) and Gail (age 50)
- Married and file taxes jointly
- Eddie recently left his job after becoming disabled and receives disability benefits
- Gail earns \$800 a month working part time
- Their household size and income puts them <100% FPL



- Eddie is eligible for non-MAGI Medicaid based on his disability
- Gail is eligible for MAGI Medicaid
- Eddie and Gail apply for Medicaid together
 - If Eddie hadn't already received a disability determination, he would receive a request from the state Medicaid agency for additional information including medical records
- In the meantime, Eddie should be granted MAGI Medicaid while awaiting a final non-MAGI determination
- Gail's application is approved
- Some states' non-MAGI systems are separate from their MAGI systems
 - In these states, Eddie and Gail could receive multiple/different notices and requests from the agency

Marketplace and Medicaid application/disability screening questions

- Marketplace and Medicaid applications both asks applicants:
 - If each person in a household lives in a medical facility or nursing home, or
 - If they have a physical, mental, or emotional health condition that causes limitations in daily activities like bathing and dressing
- If applicant responds yes to either of these questions, they may be eligible for non-MAGI Medicaid

Medicaid application screening question, Michigan example:

14. Do you have a physical, mental, or emotional health condition that causes limitations in activities (like bathing, dressing, daily chores, etc), live in a medical facility or nursing home, or are you medically frail? Yes No

Applicant and Enrollee Rights



Due Process/Appeals

- Triggered
 - Denial of application for benefits OR failure to act with reasonable promptness
 - Reduction, suspension, or termination of services
- Written notice
- Access to file
- Hearing in front of impartial hearing officer
- Written decision
- Continued benefits

Understanding Coverage Transitions for Non-MAGI Medicaid

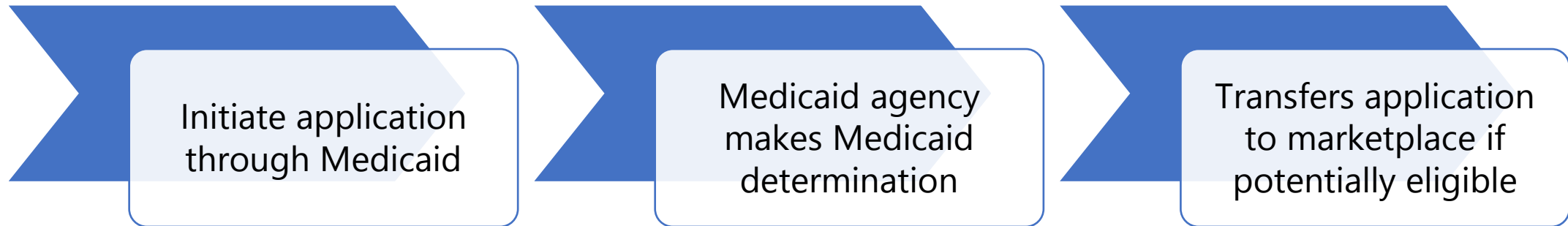


Transitions – MAGI Medicaid & Marketplace

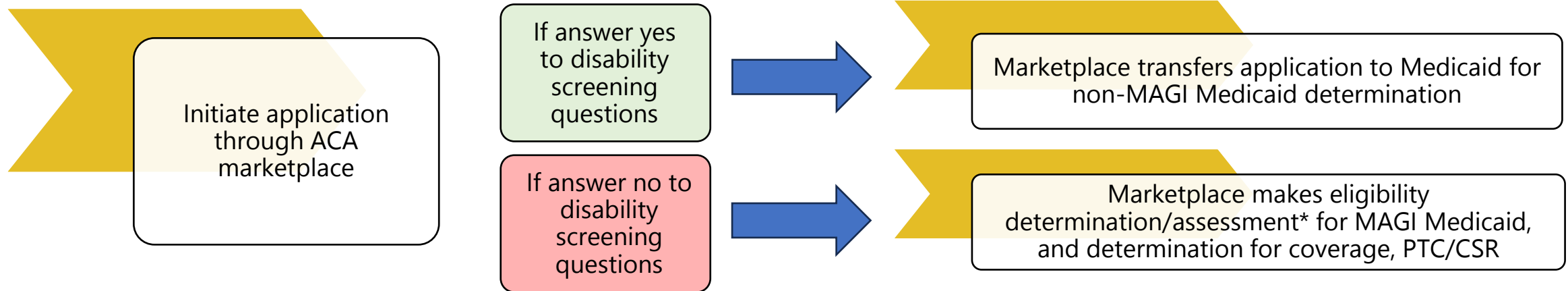
- Medicaid: Must consider all bases of eligibility prior to making determination of ineligibility
- Marketplace: Must determine potential eligibility for other insurance affordability programs for individuals found to be ineligible. 42 C.F.R. § 435.916(f)
- Agency process when individual:
 - Turns 65
 - Becomes disabled
 - Turns 19 in non-expansion state
- If potentially marketplace-eligible, individual's information is sent to the marketplace but **the enrollee needs to follow up to complete and submit application**
 - Some states, particularly those with state-based marketplaces (SBMs), have tried unique approaches to make this process more seamless
- Procedural terminations of Medicaid don't transfer automatically to the marketplace

Transitions – MAGI Medicaid & Marketplace

Initiate with Medicaid



Initiate with Marketplace



*Medicaid assessment states only allow the marketplace to make an assessment of MAGI Medicaid eligibility; the state Medicaid agency must make the final determination. Medicaid determination states allow the marketplace to make MAGI Medicaid determinations.

John, 37

- Previously qualified for non-MAGI Medicaid based on receipt of SSI benefits due to having a disability
- Unemployed due to his disability, <100% FPL
- Determined to be no longer disabled by SSA, loses disability benefits



Focus Area: Non-MAGI to MAGI Transition

- John is no longer eligible for non-MAGI Medicaid
- John is still unemployed and looking for work – his income and household size have stayed the same
- John is now likely eligible for MAGI Medicaid*
- John's state Medicaid agency must consider all bases of eligibility before determining him ineligible and terminating his coverage
- State agency *should* automatically enroll him in MAGI Medicaid (may follow up if they need additional information)
- State agency moves him into the MAGI Medicaid category

*In Medicaid expansion states; in non-expansion states, John may no longer be eligible

Lilah, 19

- Enrolled in Medicaid as a child
- Has a disability
- Turns 19 in a Medicaid non-expansion state
- Unemployed, <100% FPL



Focus Area: MAGI to Non-MAGI Transition

- No longer eligible for children's coverage
- Although she has no income, she is not eligible for MAGI Medicaid due to living in a non-expansion state
- Likely eligible for non-MAGI Medicaid based on disability
- Medicaid agency must consider all bases of eligibility before determining her ineligible and terminating her coverage
- Lilah would need to pursue a disability determination in order to enroll in non-MAGI disability-based coverage, which could happen by either:
 - Pursuing a disability determination through SSA
 - Submitting medical records through Medicaid application process requests for information
- In the meantime, Lilah *should* be granted MAGI Medicaid in the adult category while awaiting a final non-MAGI determination

The Robbins Family

- Nick (age 54) and Sana (age 49)
- Married and file taxes jointly
- Nick has a disability
- Both employed (without offers of employer coverage), joint income is \$29,000 a year
- Income is ~150% FPL* using 2023 guidelines for marketplace and 2024 guidelines for Medicaid



- **Focus Area:** Non-MAGI and Marketplace Household Eligibility
- Nick is eligible for non-MAGI Medicaid under the working disabled category
- Sana is eligible for Marketplace coverage and qualifies for premium tax credits (PTC)
- Nick and Sana apply for health coverage together through the Marketplace, answering 'yes' to the questions regarding disability for Nick
- Their applications then go through two separate pathways:
 - Nick's application is transferred to the state Medicaid agency and goes through the non-MAGI Medicaid application process
 - Sana is approved for Marketplace coverage and selects a plan

Resources



Getting Help with Non-MAGI Cases



Every state has a SHIP that provides free, unbiased help with Medicare-related issues.

1-877-839-2675

<https://www.shiphelp.org/>

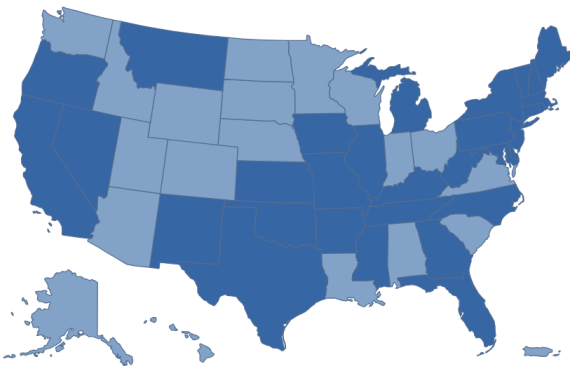


Look up legal aid providers in your state.

<https://www.lsc.gov/about-lsc/what-legal-aid/i-need-legal-help>

Consumer Assistance Programs Map

■ CAP in Operation with Federal Grant ■ CAP in Operation without Federal Grant ■ No CAP ■ No Resources Available



Some states have Consumer Assistance Programs that help with all health insurance issues.

<https://www.cms.gov/ccio/Resources/consumer-assistance-grants>



Protection & Advocacy organizations provide legally-based advocacy services for people with disabilities in every state and the U.S. territories

<https://acl.gov/programs/find-your-pa-agency>

Resources

- NHeLP: [The Advocate's Guide to the Medicaid Program](#)
- NHeLP: [Advocate's Guide to MAGI](#)
- CBPP: [Using Asset Verification Systems to Streamline Medicaid Determinations](#)
- CBPP: [Yearly Income Guidelines and Thresholds](#)
- CBPP: [Determining Household Size for Medicaid and the Children's Health Insurance Program](#)

Q&A



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www.healthreformbeyondthebasics.org

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