Medicaid and CHIP Fast Facts for Assisters

This Fact Sheet Applies If You:

- Are a Navigator, non-Navigator assistance personnel ("in-person assister"), or certified application counselor (collectively, an assister) in a state with a Federally-facilitated Marketplace or State Partnership Marketplace
- Are assisting low-income individuals, families, or children who are uninsured, who are seeking information about health coverage options

Medicaid and CHIP: Overview

Medicaid and the Children's Health Insurance Program (CHIP) provide coverage for over 68 million low-income individuals, families, and children. Medicaid is a state-administered health coverage program for low-income or disabled individuals. CHIP is a state-administered health coverage program that provides coverage for low-income children and, in some states, low-income pregnant women who earn too much to qualify for Medicaid and too little to afford private health insurance through the Marketplace. Medicaid and CHIP eligibility requirements and program benefits vary by state. Under the Affordable Care Act, states have the opportunity to extend Medicaid coverage to low-income adults with incomes up to 138% of the federal poverty level (FPL). As an assister, you should contact your state Medicaid or CHIP agency to learn about the eligibility requirements and any state-specific rules.

Basics of Medicaid Eligibility

Consumers' eligibility for Medicaid depends on several factors including their income level, the number of people in their household, their citizenship or immigration status, the state in which they live, and, for some people, other factors like whether they are they are disabled, pregnant or have certain medical needs. In all states, Medicaid and CHIP provide health coverage for many low-income families, children, pregnant women, the elderly, and people with disabilities. In some states the program provides coverage for most adults below a certain income level. In some states, individuals may still qualify for Medicaid if they are medically needy, even if their income exceeds the usual qualifying levels.

The main method for calculating eligibility for Medicaid and CHIP for most populations is Modified Adjusted Gross Income (MAGI). This method is generally used to determine the eligibility for children, pregnant women, parents, and single adults enrolled under the new adult eligibility group created by the Affordable Care Act. MAGI is the consumer's adjusted gross income plus any tax-exempt Social Security, interest, or foreign income they might have. For example, earned wages and unemployment benefits are counted in the MAGI calculation, while child support and student loans are not. Household size and composition are important for the purposes of calculating MAGI and determining Medicaid eligibility. The basic equation for calculating household size, or the number of individuals in a family, is: Tax Filers + Tax Dependents = Household Size.

Medicaid Expansion

The Affordable Care Act helps low-income individuals to obtain health coverage. Under the Affordable Care Act, states have the opportunity to expand Medicaid coverage to low-income adults under the age of 65 with incomes of up to 138% of the FPL. There is no deadline for states to decide if they will expand Medicaid. See Exhibit 1 for more information about who is eligible for Medicaid depending on whether or not a state has expanded Medicaid. Consumers may still qualify for Medicaid coverage depending on their specific circumstances and should apply in order to get an official eligibility determination.

Exhibit 1. Medicaid Eligibility Based on Medicaid Expansion, Income, and Household Size

		Number of people in consumer's household					
		1	2	3	4	5	6
Medicaid coverage	If the state **is** expanding Medicaid in 2014: Consumer may qualify for **Medicaid coverage** if their yearly income is below…	$15,521	$20,921	$26,321	$31,720	$37,120	$42,520
	If the state **is not** expanding Medicaid: **Consumer may not qualify for any Marketplace savings programs** if their yearly income is below…	$11,670	$15,730	$19,790	$23,850	$27,910	$31,970

Medicaid Benefits

States establish and administer their own Medicaid programs, and determine the type, amount, duration, and scope of services within broad federal guidelines. Benefits for children must

include the full range of medically necessary services that could be furnished, and, for adults, may vary but generally must be comprehensive in scope.

Out-of-Pocket Costs for Medicaid Coverage

Medicaid and CHIP offer low-cost or free health coverage for consumers and their families. However, states can impose copayments, coinsurance, deductibles, and other similar charges on most Medicaid-covered benefits. The amount of these out-of-pocket charges varies depending on a Medicaid beneficiary's income. All out-of-pocket charges are based on the specific state's defined payment amount for that service. In Medicaid, certain groups, including children, terminally ill individuals, and individuals residing in an institution are exempted from cost sharing. Refer to your state agency for more specific details about out-of-pocket costs consumers may have when enrolled in Medicaid. Exhibit 2 details the maximum allowable out-of-pocket costs that beneficiaries at different income levels can expect to pay for certain Medicaid-covered services (unless the state is operating with a waiver of copayment limitations granted by CMS).

Exhibit 2. Maximum Allowable Copayments Determined by Eligible Population's Household Income

Services and Supplies	<100% FPL	101-150% FPL	>150% FPL
Institutional Care (e.g., inpatient hospital, rehab)	$75	10% of cost	20% of cost
Non-Institutional Care (e.g., physician visits, physical therapy)	$4	10% of costs	20% of costs
Non-emergency use of the ER	$8	$8	No limit *within 5% aggregate limit
Preferred Drugs	$4	$4	$4
Non-preferred Drugs	$8	$8	20% of cost

Applying for Medicaid

You can help consumers find out whether or not they are eligible for Medicaid in two ways:

1. **Through their state's Medicaid website**: Help consumers select the specific state in which they are applying for coverage by using the menu at the bottom of this page: HealthCare.gov/medicaid-chip/eligibility/. This menu will direct them to their state's Medicaid website, and you can help them apply to find out if they qualify for Medicaid. If they qualify, Medicaid coverage can begin immediately and may be effective retroactively.
2. **Fill out a Marketplace application:** Help consumers complete a Marketplace application to learn about the programs for which they may be eligible. Consumers will include their annual household size and annual income. After filling and submitting the application, the Marketplace will determine eligibility results for both Marketplace and Medicaid coverage. If anyone in the household is eligible for Medicaid or CHIP, the Marketplace will notify the state Medicaid agency. Consumers will be notified by the state Medicaid agency about the next steps that they need to take in order to enroll in Medicaid coverage. **It is important to note that if consumers are determined eligible for Medicaid, they are not eligible to receive advance payments of the premium tax credit or cost-sharing reductions, even if they choose to decline Medicaid coverage**.

Medicaid in Non-Expansion States and the Marketplace

In addition to being able to apply for Medicaid through the Marketplace, there are other ways in which consumers with low or no income can obtain health coverage. In states that have not expanded Medicaid, a consumer's coverage options are limited depending on their level of income. For example:

- Most consumers whose income is more than 100% of the FPL will be eligible to purchase a qualified health plan (QHP) through the Marketplace and may be eligible for help lowering the costs of coverage.

- Consumers who earn less than 100% of the FPL will generally not be eligible for help lowering the costs of a QHP purchased through the Marketplace. They may be eligible for Medicaid, even without the expansion, based on their state's existing rules. But if they are not eligible, they will not qualify for either of the affordability options under the health care law. See the Medicaid Gap section for more information.

- Lawfully present immigrants who have an estimated 2014 household income less than 100% of the and who are not eligible for full Medicaid due to their immigration status may be eligible for advance payments of the premium tax credit and lower out-of-pocket costs for QHPs through the Marketplace if they meet all other eligibility requirements. For more information about lawfully present immigrant's eligibility for Medicaid and other coverage

options, please visit: HealthCare.gov/immigrants/.

Medicaid and Minimum Essential Coverage

The Affordable Care Act requires most individuals to obtain minimum essential coverage or to pay a fee. Most Medicaid and CHIP coverage is considered to be minimum essential coverage. However, consumers who have certain limited types of Medicaid coverage, such as coverage that only pays for family planning, emergency medicine, tuberculosis services, or outpatient hospital services, should apply for coverage through the Marketplace, since their Medicaid coverage is limited and does not qualify as minimum essential coverage. If these consumers do not have coverage through the Marketplace or other complementary coverage, there will be limitations to the health care services that are covered by their Medicaid coverage. These consumers may have to pay a fee for not having minimum essential coverage, but they may qualify for a hardship exemption. When helping consumers fill out a Marketplace application, if they have one of these types of limited Medicaid coverage, make sure that the consumer does not check the box saying that they have Medicaid. Instead, the consumer should check "None of the above."

Medicaid Gap

In states that have not expanded Medicaid, many adults with incomes below 100% of the FPL fall into what is known as a coverage gap. Their incomes are too high to get Medicaid under their state's current rules, but they are too low to qualify for help paying for coverage in the Marketplace. Some populations that may fall into the coverage gap include jobless parents, working parents, and non-disabled, non-elderly childless adults. Below are some options you should discuss with consumers who fall into this Medicaid gap:

- Obtain health care services at federally-qualified community health centers. These centers provide services on a sliding scale depending on the individual's income. Use the following tool to find a community health center near the consumer: HealthCare.gov/lower-costs/low-cost-community-care/.

- Apply for a hardship exemption from the individual shared responsibility payment (see section below for more information).

- Purchase catastrophic coverage, which is available for people under 30 years-old and people granted a hardship exemption. Catastrophic plans usually have lower monthly premiums than comprehensive plans, but cover you only if you need a lot of care. They protect you from worst-case scenarios like serious accidents or illnesses. For more information, please see: HealthCare.gov/choose-a-plan/catastrophic-plans/.

- See what pharmaceutical assistance programs may be available. Some pharmaceutical companies offer assistance programs for the drugs they manufacture. You can help

consumers see if assistance is available for the medications they take by visiting: Medicare.gov Pharmaceutical Assistance Program.

Hardship Exemptions from the Individual Shared Responsibility Payment

Consumers who are not eligible for Medicaid because their state did not expand Medicaid may be eligible for an exemption from the individual shared responsibility payment. If they receive an exemption, consumers will not be responsible for paying a fee for not having health coverage. A consumer is eligible for a hardship exemption under the following circumstances:

- They live in a state that has not expanded Medicaid.
- They would qualify for Medicaid if the state did expand Medicaid.
- They would not qualify advance payments of the premium tax credit or cost-sharing reductions on a Marketplace QHP because of their income level.

For more information about applying for a hardship exemption, as well as other circumstances that would qualify consumers for an exemption, see: HealthCare.gov/exemptions.

Medicaid and Immigration Status

Immigrants who are "qualified non-citizens" are generally eligible for Medicaid and CHIP coverage if they meet their state's eligibility requirements. See Exhibit 3 for more information about the type of immigration statuses that qualify consumers to get Medicaid or CHIP coverage.

Exhibit 3. Qualified Non-Citizens Eligible for Medicaid

- Lawful Permanent Residents (LPR/Green Card Holder)
- Asylees
- Refugees
- Cuban/Haitian Entrants
- Paroled into the U.S for at least one year
- Conditional entrant granted before 1980
- Battered non-citizens, spouses, children, or parents
- Victims of trafficking and their spouse, children, siblings, or parents or individuals with a pending application for victim of trafficking visa

However, in order to get full Medicaid or CHIP coverage, most LPRs or green card holders have a five-year waiting period. This means they must wait five years after receiving "qualified"

immigration status before being eligible for Medicaid and CHIP. Some lawfully residing immigrants are exempt from the five-year waiting period, including refugees and asylees. States have the option to remove the five-year waiting period to cover certain lawfully residing children and pregnant women who are otherwise eligible for Medicaid or CHIP. In order to see if your state has elected to remove the five-year waiting period, please visit: InsureKidsNow.gov/professionals/eligibility/lawfully_residing.html. Individuals who do not have an eligible immigration status and therefore are not eligible for full Medicaid benefits may get limited Medicaid coverage for emergency services, if they meet all other Medicaid eligibility criteria in the state.

Some consumers may have been denied eligibility for Medicaid or CHIP because of their immigration status. There is a question on the Marketplace application to properly determine eligibility for those individuals with income under 100% of the FPL who are ineligible for Medicaid or CHIP based on immigration status, but who may be eligible for advance payments of the premium tax credits. The question is "Were any of these people [individuals applying for coverage] found not eligible to get Medicaid and the Children's Health Insurance Program (CHIP), since October 1, 2013?" By answering this question, consumers will be able to continue with their application and enroll in a plan, if they are otherwise eligible for Marketplace coverage.

Tips for Enrolling Consumers in Medicaid or CHIP

Assisters can help consumers apply for Medicaid or CHIP using the streamlined Marketplace application available on HealthCare.gov. Consumers can enroll in Medicaid or CHIP year-round, since it is not subject to an annual open enrollment period. The following tips will help to ensure that consumers and their households receive accurate eligibility determinations and are able to enroll in Medicaid, CHIP or Marketplace coverage.

- **Mixed Eligibility Households**: Different members of a household may be eligible for different forms of health coverage (i.e., an applicant may be eligible for a qualified health plan, while the applicant's child is eligible for CHIP and the applicant's spouse is eligible for Medicaid due to disability). You should help all household members apply for and enroll in coverage.

- **Income Verification**: Make sure that consumers provide accurate income information. Data will be verified with federal sources. If information is incorrect, consumers could owe money back to the government or could be committing fraud. Consumers will receive an eligibility determination or assessment notice from the Marketplace, which may ask consumers to verify and show proof of income.

- **Medically Needy Eligibility:** Many states have what are called "medically needy" programs for consumers with significant health needs whose income is too high to otherwise qualify for Medicaid. These consumers can still become eligible by "spending down" the amount of income that is above a particular state's medically needy income

standard. Consumers "spend down" by incurring expenses for medical and remedial care. Once those incurred expenses are subtracted from the person's annual income and the person's income is at or below the state's medically needy income standard, then the person can be eligible for Medicaid. The state Medicaid program then pays for the cost of services that exceed what the individual had to incur in the way of expenses in order to become eligible.

- **Medically Needy and QHP Eligibility**: A consumer does not have to accept this type of Medicaid coverage and can instead elect to enroll in a QHP. Consumers are not considered to be eligible for Medicaid and, therefore, do not have minimum essential coverage, until they have met their spend-down amount requirement and Medicaid is picking up the cost of their care. Consumers in this situation should not attest to currently having Medicaid when the Marketplace application asks that question.

- **Medically Needy and Special Enrollment Periods**: Consumers have minimum essential coverage once they have met their spend-down amount requirement and Medicaid is covering the cost of their care. However, once the budget period ends, a new spend down cycle will begin with amounts that the consumer will have to reach before Medicaid covers the cost of services. This loss of minimum essential coverage triggers a special enrollment period that consumers may use to enroll in a QHP through the Marketplace. Consumers in this situation should answer "yes" to the Marketplace application question that asks if they recently lost health coverage, and consumers should not attest to currently having Medicaid.

Medicaid Enrollees and Special Enrollment Periods

There are scenarios in which a special enrollment period may be available for consumers who have been determined ineligible for Medicaid or CHIP and wish to enroll in Marketplace coverage outside of the annual open enrollment period. A consumer who applied at either the state Medicaid agency or the Marketplace, was denied Medicaid, and all three of the following conditions apply:

- The consumers' states did not expand Medicaid.

- When the consumers first applied, their income was below 100% of the FPL and would have been covered by Medicaid if their state had expanded Medicaid.

- The consumers experienced an income increase that makes them eligible for a Marketplace plan with advance payments of the premium tax credit or for cost-sharing reductions.

The process of accessing these special enrollment periods begins with consumers contacting the Marketplace Call Center. Once a special enrollment period is activated, consumers have 60

days to select a plan. Coverage effective dates follow the regular effective dates based on the date of plan selection. For more information, please see: Marketplace.CMS.gov/technical-assistance-resources/seps-for-limited-circumstances.pdf.

Scenario

Medicaid Eligibility and Coverage Options in a Non-Expansion State: Michael, a 29 year-old part-time janitor, makes $11,000 per year. He lives in a state that has not expanded Medicaid. Michael is unsure what his options for health coverage are. He is afraid that a QHP through the Marketplace will be too expensive, but he does not want to pay the penalty for remaining uninsured. When assisting Michael to find health coverage options, consider the following:

- If you are not sure what coverage consumers will qualify for, or if their income is close to the eligibility threshold for Medicaid or advance payments of the premium tax credit or cost-sharing reductions, you should help them submit an application through the Marketplace to determine their eligibility. Household size, disability status, and other factors could also make a difference in consumers' eligibility for Medicaid coverage, even if the state has not expanded Medicaid to low-income, non-elderly adults.

- Because Michael makes less than 100% of the FPL ($11,670 per year), he does not qualify for financial assistance available through the Marketplace.

- Michael is eligible for a hardship exemption because he is ineligible for Medicaid based on his state's decision not to expand. This means he would not be subject to paying a penalty for remaining uninsured. This is because Michael would have been eligible for Medicaid if his state expanded coverage to adults with incomes up to 138% of the FPL.

- Michael can receive health services at a federally-qualified community health center or the emergency room, if he has an emergency medical condition.

Additional Resources

For more information visit:

- Medicaid.gov
  Available at: https://www.medicaid.gov

- InsureKidsNow.gov
  Available at: https://insurekidsnow.gov

- CMS.gov: Medicaid in 2014: Background and Tips for Navigators and CACs
  Available at: http://marketplace.cms.gov/technical-assistance-resources/helping-consumers-with-medicaid.pdf

- HealthCare.gov: Getting Medicaid & CHIP Coverage
  Available at: https://www.healthcare.gov/medicaid-chip/getting-medicaid-chip/