



Making Sense of Medicaid: A Primer

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09/20/2023



Our goal today with this presentation is to make Medicaid programs understandable for our senior/disabled clients, their friends, their family members, and their neighbors.

When reviewing Medicaid program eligibility, the term “resource”, which we will use, is defined the same as the term “asset”, and includes such things as real estate, bank accounts, stocks/bonds/mutual funds, life insurance/burial plans, and motor vehicles.

Disclaimer: The information provided during this presentation is not intended to serve as an exhaustive review of client eligibility and client obligations required through Medicaid coverage and/or specific Medicaid programs. Medicaid eligibility depends upon client income, resources, and functional need, as determined by DSHS financial workers and social workers. Medicaid eligibility and obligations can change over time, so as a result, today’s presentation reflects the presenter’s best knowledge of Medicaid programs at the time of the presentation.

A Few Important Things to Remember about Medicaid

1. Medicaid enrollment is not transferable from one state to another, so a new application is required when moving from state to state.
2. Our Medicaid review today will look at programs for single and married adults age 19 and over. We will not look at children's programs, parenting programs, or refugee programs.
3. The term Medicaid is often confused with the term Medicare. Medicaid DOES PAY for long-term care at home or in a care facility.
4. As a reminder, Medicare is health coverage (red/white/blue card) issued by the Federal Government to most people at age 65, and to some people at an earlier age, if they have been collecting Social Security Disability payments for 24 consecutive months. Medicare eligibility is not linked to the income or resources of the recipient. Medicare DOES NOT PAY for long-term care at home or in a care facility.
5. Medicaid eligibility across different types of programs is ALWAYS LINKED to income and/or resources. Some Medicaid programs also require the recipient to exhibit a FUNCTIONAL NEED for a specific type of caregiver service in the home or in a care facility.

A Few Important Things to Remember about Medicaid

6. Medicaid applicants are required to provide DSHS with consent to search financial records going back five years from the date of the Medicaid application (known as the Lookback Period) and used to determine if any disqualifying resource transfers may have occurred. DSHS financial workers can and will find both real estate sales/transfers and financial resource sales/transfers. A resource transfer during the Lookback Period may result in a period of ineligibility before Medicaid funding can be approved.
7. Some Medicaid programs have Lookback Periods and others do not. Regardless, there is no waiver of the Lookback Period if a recipient moves from one Medicaid program to another.
8. Some Medicaid programs also have an Estate Recovery provision which allows the State of Washington Office of Financial Recovery to “recover” the Medicaid funds spent on behalf of a recipient age 55 and over. In the event that a spouse incurs Estate Recovery upon death, there are protections in place for surviving spouses to delay Estate Recovery from happening while the surviving spouse is still alive.

A quick guide to today's presentation

- Modified Adjusted Gross Income (MAGI) Medicaid
- Supplemental Security Income (SSI) Medicaid
- Medicare/Medicaid clients (also known as “Dual Eligible” clients)
- Medicaid programs linked to functional need for long-term care in the home or in a care facility

Washington MAGI (Modified Adjusted Gross Income) Medicaid

- Washington MAGI (Modified Adjusted Gross Income) Medicaid is linked to INCOME ONLY (applicant not reviewed for disability or resources or functional need) and is a product of the Affordable Care Act. Many states still do not offer this program which has come to be known as “Medicaid Expansion”.
- Traditional Medicaid is linked to the recipient status as Aged/Blind/Disabled.
- The MAGI Medicaid program provides health coverage to adults ages 19 up to 65, who are not incarcerated, and who are not entitled to Medicare.

Example: Joe is age 27 and has no income. He has resources of five thousand dollars in the bank which he saved when he was employed. He quit his job several months ago because he needed to be a live-in caregiver for his chronically ill mother. He is not planning to return to work since he needs to stay home to care for his mother. He is not disabled and he is not receiving any Social Security Disability or Supplemental Security benefits. He applies for MAGI Medicaid and is approved for MAGI Medicaid coverage simply because of having no income, even though he has resources.

Washington MAGI (Modified Adjusted Gross Income) Medicaid (cont'd)

- MAGI Medicaid coverage requires no premium/no deductible/no copays for any of its covered medical and pharmacy benefits.
- Estate Recovery only applies to MAGI Medicaid clients age 55 and older but there is no Lookback Period because resources are not considered for eligibility.
- Effective July 1, 2023, the MAGI Medicaid single person income limit is \$1677 monthly and the married couple income limit is \$2268 monthly.

Washington MAGI (Modified Adjusted Gross Income) Medicaid (cont'd)

- MAGI Medicaid ends at age 65!
- EVERYTHING changes for this group when they move on to Medicare (if eligible) at age 65 or after receiving a Social Security Disability Income cash grant (SSDI) for 24 months.
- The client **MUST TAKE MEDICARE** and then apply for Traditional Medicaid (if income and resource eligible). Medicare then becomes the primary coverage for most health services.
- MAGI clients not eligible for Medicare (such as SSI clients) still need to apply for Traditional Medicaid at age 65.

SSI (Supplemental Security Income) linked CN (Categorically Needy) Medicaid coverage

- Supplemental Security Income (SSI) is issued to a recipient deemed aged/blind/disabled as defined by the Social Security Administration. An SSI recipient is not eligible to receive Social Security Retirement or Disability due to not having enough earned income credit hours paid into the system. An SSI recipient is automatically eligible for Medicaid but still needs to apply for Traditional Medicaid coverage.
- The maximum SSI payment for a single person is \$914 per month and for a married couple (both on SSI) is \$1371 per month.
- The resource limit for a single person on SSI is \$2000 and for a married person is \$3000.
- SSI Medicaid clients will always be financially eligible for any of the remaining Medicaid programs that we will review during this presentation.
- SSI clients are allowed to own “exempt” resources and remain eligible. Examples of exempt resources are burial funds/burial plans, homes in which the client or the client spouse lives, personal belongings, and cars.

Medicare/Medicaid clients (also known as Dual Eligible clients)

- A Medicare recipient can have Medicaid as a secondary coverage, but there are different income limits for a Medicare/Medicaid recipient and there are also resource limits for a Medicare/Medicaid recipient.
- These Medicare/Medicaid clients are also known as Dual Eligible clients.
- These clients have Traditional Medicaid, not MAGI Medicaid.
- There is a five-year Lookback Period for eligibility.
- There is Estate Recovery for Medicaid services paid for a client age 55 and older.

Medicare/Medicaid clients (also known as Dual Eligible clients) (cont'd)

- Medicare/Medicaid clients are eligible based on their income and resources. Income eligibility for a single person starts at \$914 per month and for a married person starts at \$1828 per month.
- The single person resource limit is \$2000 and the married person resource limit is \$3000.
- These recipients are allowed to own “exempt” resources and remain eligible. Examples of exempt resources are burial funds/burial plans, homes in which the client or the client spouse lives, personal belongings, and cars.

Medicaid eligibility for Medicare recipients through the Medically Needy spenddown program

- The Medically Needy spenddown program is challenging for even professionals to understand, so we encourage senior/disabled clients and their families to contact our Pierce County ADRC for guidance and more information on this program at 253-798-4600.

Medicaid eligibility for Medicare recipients needing long-term care at home or in care facilities due to limited income/resources and due to functional need for care

For the following married couple descriptions, we are assuming that only one spouse is seeking Medicaid-funded care. As a result, only the income of the spouse seeking care is reviewed for Medicaid eligibility.

COPES program for long-term care in the home:

- This program provides in-home care for senior/disabled clients (age 18 and over) who require help to meet their daily personal care needs.
- Care hours can vary depending upon client need.
- Care can be provided by a licensed, contracted care agency caregiver or by any adult (except for the client spouse) who completes a fundamentals of caregiving class and passes a criminal background check.

Medicaid eligibility for Medicare recipients needing long-term care at home or in care facilities due to limited income/resources and due to functional need for care

- A single person can keep income up to \$2742. A spouse of a married person on COPES services can keep all of their own income AND some income from the spouse on services for housing costs.
- Single resource limit is \$2000 and married resource limit is \$60,075.
- Clients may have a financial “participation” if their income is above the single or married income limit.
- There is Estate Recovery for these services for clients over the age of 55 and there is a five- year Lookback Period to check for resource transfers which can impact eligibility.

Medicaid eligibility for Medicare recipients needing long-term care at home or in care facilities due to limited income/resources and due to functional need for care (cont'd)

TSOA program for long-term care in the home:

- This program also provides in-home care for senior/disabled clients (limited to age 55 and over) who have functional impairments which require caregiver assistance.
- Income limit for care receiver is \$3656 per month whether single or married.
- There is no financial “participation” for this program.
- Single resource limit is \$66,456 and married resource limit is \$134,757.
- Care hours are limited to a maximum of 20 per month and there is no Medicaid coverage.
- There is no Estate Recovery and no Lookback Period for this program.

Medicaid eligibility for Medicare recipients needing long-term care at home or in care facilities due to limited income/resources and due to functional need for care (cont'd)

Medicaid-funded long-term care in an Assisted Living Facility (ALF) or Adult Family Home (AFH):

- Single person resource limit is \$2000 and married person is \$68,301 (after one this amount must be held in the name of the spouse who is not on services).
- For a single person, the cost of care depends on the monthly payment rate as established by the DSHS HCS social worker CARE assessment.
- The monthly payment rate is the amount of Medicaid payment that an ALF or AFH will receive over the course of a month for caring for a resident on Medicaid funding.
- The monthly payment rate for Medicaid is usually lower than the facility private pay rate.
- The client pays their whole monthly income (less their \$100 Personal Needs Allowance or PNA) to the ALF or AFH, and Medicaid pays the remaining cost of client care to the facility.

Medicaid eligibility for Medicare recipients needing long-term care at home or in care facilities due to limited income/resources and due to functional need for care (cont'd)



- One exception to the financial participation rule occurs if the client is married, then the client pays \$740 of income to the care facility, and income above that amount can be kept by the spouse for household living expenses.

Example: Jean applies for Medicaid-funded ALF care for herself with the help of her Pierce County ADRC case manager. Jean's monthly Social Security income is \$1000. Her DSHS social worker CARE assessment determines that the DSHS monthly Medicaid payment rate to the ALF is \$2400. Jean moves into the ALF and out of her \$1000 SS income she pays \$928.88 to the ALF as her monthly financial participation and she keeps \$71.12. DSHS pays the ALF the remainder of her monthly payment rate which is \$1471.12.

Medicaid eligibility for Medicare recipients needing long-term custodial care in a Skilled Nursing Facility

SNF Medicaid funding for long-term “custodial” care in skilled nursing facilities:

- Basically, the client qualifies for Medicaid funding for SNF facility long-term (custodial) care if the client income is less than the Medicaid nursing home rate plus any regular medical expenses.
- The client must also meet resource limits as a single person at \$2000.00 or as a married couple at \$68,301.00.
- In most cases the Medicaid benefit will start once the client’s Medicare benefit is exhausted at the SNF, which usually occurs about 21 days after admission.

Medicaid eligibility for Medicare recipients needing long-term custodial care in a Skilled Nursing Facility (cont'd)

- The client must have functional need for SNF level of care.
- The five-year lookback period and estate recovery provisions (if over the age of 55) are in place for this type of Medicaid benefit.
- During the first six months of the client status with Medicaid funding at the SNF, the client is allowed to keep a portion of their monthly income to pay the costs (such as rent/mortgage, property taxes, insurance, and utilities) to keep their current home or apartment but only if the client can declare their intention to return home and only if the attending physician at the SNF agrees in writing.

Medicaid eligibility for Medicare recipients needing long-term custodial care in a Skilled Nursing Facility (cont'd)

- Otherwise, the client will pay to the SNF facility their monthly financial participation, which will usually be their full monthly income less \$100 PNA if they are single, or, if they are married, their full monthly income less \$100 PNA and other household living expenses to support a spouse who is still at home.

RESOURCES

For more **comprehensive information about these programs and other senior/disabled resources**, visit **Washington Law Help** at www.washingtonlawhelp.org.

For more **information about Medicare benefits**, visit www.medicare.gov or call **1-800-633-4227**.

For more **information about Social Security benefits**, visit www.socialsecurity.gov or call **1-800-772-1213**.

To **apply for MAGI Medicaid** for a client, visit www.wahealthplanfinder.org.

To **apply for Medicaid spenddown, SSI, COPES, TSOA, or SNF Medicaid** for a client, visit www.washingtonconnection.org.

For more information and assistance to apply for these **Medicaid programs**, the **Family Caregiver Support Program**, and **many other senior/disabled programs and services** available through our **Pierce County ADRC**, visit www.pierceadrc.org or call **253-798-4600**.