Medicaid Application Process

Tips to facilitate approval

What is Medicaid?

- The Medicaid program (Title XIX of the Social Security Act) is a state administered health insurance program that is jointly funded by the federal and state governments.
- The states operate individual Medicaid programs within broad federal guidelines.
- Provides care after financial resources have been exhausted.

What is Medicare?

- Federal health insurance program that covers most hospital and other healthcare services for people aged 65 and older.
- Individuals may still incur significant out-of-pocket expenses for Medicare premiums, deductibles, and co-payments.
- Medicare does not pay for custodial care or room and board.

Scope of the Medicaid program

- Medicaid -the largest health insurance program in the U.S.; 15.9 percent of the nation's total health spending of $1.9 trillion in 2004.
- $298 billion in 2004; 58 million people
- 1999 - 2004, Medicaid expenditures increased at a faster rate (65%) than private insurance (51%) and Medicare (45%)
- Covers 26 percent of all children in the U.S.;
- 8 percent of all non-elderly adults
- Comprises nearly 22 percent of the average state's budget; Medicaid is highest spender in most states

Federal Poverty Level

- The Federal Poverty Level (FPL) --The amount of income to provide a bare minimum for food, clothing, transportation, shelter, and other necessities
- Updated annually by HHS and varies according to family size -100% of the FPL is $20,650 for family of 4 in 2007

Medically Needy

- Medicaid serves many people who have extreme medical costs that can completely deplete income and assets. (e.g. nursing home, high hospital expenses)
- Eligibility calculated by deducting medical care costs from income.
- Allows individuals to "spend down" to Medicaid eligibility.
- 39 States have elected to cover medically needy individuals – each different.

"When you've seen one Medicaid program, you've seen one Medicaid program."

Who is Eligible?

- Medicaid is available only to people with limited income. You must meet certain requirements in order to be eligible for Medicaid.
- Medicaid does not pay money to you; instead, it sends payments directly to your health care providers.
- Depending on your state's rules, you may also be asked to pay a small part of the cost (co payment) for some medical services.

Eligibility

- Unlike Medicare, Medicaid is an entitlement program based upon income and asset guidelines.
- The State Department of Social Services administers the program through county offices.
- Monthly program – must be eligible on the first day of the month of requested eligibility.
- Applicants resources must be at or below the Medicaid Resource level.
- Filing an application during a period of ineligibility could potentially cause a significant delay in the applicants eligibility approval status.

Physical Criteria

- Qualifying for Medicaid involves not only financial criteria, but also physical requirements.
- Applicants must demonstrate through a physical exam that he or she is unable to perform the activities of daily living, including feeding, dressing, bathing, toileting and continence.
- If it cannot be shown to Medicaid that the care is *medically necessary*, the Medicaid application will be denied.

Medicaid Income and Resource Levels (2008)

- **Meets financial eligibility by:**
  - Qualifying for Supplemental Security Income (SSI) in the community; or
  - Qualifying for Institutional Medicaid:
    - Has a gross monthly income at or below $1,911 per month in 2008;
    - Resources at or below $2,000

Exempt Transfers

- House to:
  - Spouse
  - Primary Caregiver – a child that has lived with a parent and kept them out of a nursing home for 2 years.
  - Siblings with an equity interest who have lived together 1 year.
  - Disabled children of any age.
  - Children under 21.
- Assets to:
  - Spouse
  - Disabled child of any age
- Home Equity Limit $750,000

Community Spouse

- The CSRA (Community Spouse Resource Allowance) for 2008:
  - $74,820 or ½ the total value of the countable resources of both spouses as of the date of institutionalization of the ill spouse – not to exceed the Maximum CSRA which is $104,440.
    - Does not include the ill spouse's allowance of $4,350
    - The Family Home
    - A car of any value
    - $1,500 face value of life insurance
    - Prepaid burial items

Community Spouse Minimum Monthly Needs Allowance (MMNA)

- Allowance $2,610 for 2008
- If the income of the community spouse is less than the MMNA, they will be allowed to keep enough of the ill spouse's income to bring them up to the MMNA.
- If the income of the community spouse is more than the MMNA, they will be asked to make a contribution towards the care of the ill spouse, normally 25% of the excess over the MMNA.

Look Back and Penalty Periods

- The Look Back and the Penalty Period are two different time periods.
- The Look Back is simply how far back Medicaid can examine your records to see what you have done with your money.
- The Penalty Period is how long you are ineligible for Medicaid is they see that you have made gifts of your money within the look back period.

Look Back

- Pre February 8, 2006
  - 38 month look back for transfers to individuals
  - 60 month look back for transfers to a trust
- Post February 8, 2006 (Deficit Reduction Act of 2005)
  - 60 month look back for all transfers
  - The 5 year look back will not be in full effect until February 2011. The longer look back period will be phased in gradually in as it will only effect transfers after February 8, 2006.

Penalty Periods

- If the transfers appear ion the look back period, divide the amount transferred by the average regional rate for a nursing home in that region ($6,655 NJ 2008).
- Pre February 8, 2006
  - The transfer penalty period began the month after the transfer was made.
- Post February 8, 2006
  - The transfer begins the month a person is institutionalized and otherwise eligible for Medicaid.

Retroactive Eligibility

- If you are determined eligible for Medicaid and you have unpaid medical bills from the three-month period immediately before the month of your Medicaid application, the state will pay for those services if you were eligible for Medicaid at the time of the service. This is called "retroactive eligibility," and you must apply for this coverage within six months of the date of your Medicaid application.

PAAD

- *New Jersey Pharmaceutical Assistance for the Aged and Disabled (PAAD)*
- The New Jersey Pharmaceutical Assistance for the Aged and Disabled program is administered by the New Jersey Department of Health and Senior Services.
- Eligibility for PAAD is based only on income. Unlike Medicare Savings Programs, there is no resource limit for PAAD.
- Application does not require a face-to-face interview and may be made by mail.

Assisted Living (AL)

- AL is a Medicaid Waiver program that enables individuals, at risk of placement in a nursing facility and who meet income and resource requirements, to receive a broad array of supportive and health services by residing in an Assisted Living Facility.
- AL offers all New Jersey Title XIX Medicaid services authorized in a Plan of Care (POC) except Nursing Facility, Adult Day Health Services, Personal Care Assistant and Medicaid Hospice services.

AL Services Provided

- Homemaker
- Chore
- Attendant Care
- Medication Administration
- Social Activities
- Skilled Nursing
- On-going Assessment
- Health Monitoring
- Transportation

Availability of AL

- Enrollment in the AL Medicaid Waiver is available statewide to eligible New Jersey residents.
- The availability of AL services is *determined by the number of vacancies in the provider facilities and the availability of Medicaid Waiver slots*. Distribution of these slots is managed through the New Jersey Department of Health and Senior Services, Division of Aging and Community Services.
- The service package provided is based on an assessment of the individual's needs, unique care plan, and availability of services and funding.

Who is eligible for AL Medicaid waiver services?

- **Meets the following clinical requirements:**
  - Is at least 65 years old or 21 - 64 and determined disabled by the Social Security Administration or by the Disability Review Section of the Division of Medical Assistance and Health Services, New Jersey Department of Human Services; and
  - Has been assessed by staff of the New Jersey Department of Health and Senior Services, Regional Office of Community Choice Options, and found to be in need of nursing facility level of care.

Who is eligible for AL Medicaid waiver services?

- **Meets financial eligibility by:**
  - Qualifying for Supplemental Security Income (SSI) in the community; or
  - Qualifying for Institutional Medicaid:
  - Has a gross monthly income at or below $1,911 per month in 2008;
  - Resources at or below $2,000; or
- Qualifying for New Jersey Care:
  - Has a gross monthly income that is no more than 100% of the Federal Poverty Level ($867 in 2008)
  - Resources at or below $4,000.
- AL program participants may pay the provider a cost share in addition to any room and board fees, depending upon his or her income and allowable deductions. The Care Manager calculates the cost share.

Documents needed for Medicaid Application

- ❑ Birth or Baptismal Certificate
- ❑ Medicare Card and Social Security Card
- ❑ Health Insurance Cards (front and back) and current premiums
- ❑ Verification of Marital Status: Marriage certificate, Divorce Papers, Death Certificate of Spouse
- ❑ Veteran's Discharge Papers
- ❑ Verification of Income for Current Year. Pension Check and Stub, Social Security Award Letter (or copy of recent check)
- ❑ All Estate Planning Documents: Power of Attorney, Will, Trust Agreements.
- ❑ Statements or passbooks on all bank accounts (open or closed) for the past 36 months or 60 months to a trust,

Documents needed for Medicaid Application (cont.)

- ❑ All checks or receipts for any withdrawal $1,000 or over for the past 36 months or to the creation of a trust within 60 months
- ❑ Any other resource owned in the past 30 months or 60 months to a trust, stocks, bonds, mutual funds, etc.
- ❑ Certificate of title to any motor vehicle: car or mobile home
- ❑ Verification of income from all sources (stock dividends, interest income)
- ❑ Income Tax Returns for the past three years with all 1099s.

Documents needed for Medicaid Application (cont.)

- ❑ Residency verification: Deeds and tax bills to residence, any lease or rental agreement
- ❑ Deed and tax bills for any other property owned
- ❑ Contract of sale of any property sold in the last three years
- ❑ Burial plot deed
- ❑ Life insurance policies: face and cash values

Substantiating the Data

- Each Medicaid office has a computer program to verify social security numbers, employment history, or other personal information.
- If any financial information is not disclosed to a county welfare office, the office may deny the application based on information it periodically receives from the Internal Revenue Service.
- Intentional failure to disclose relevant financial data is considered Medicaid fraud. Even in cases where Medicaid eligibility has initially been granted, the county welfare office may revoke the approval upon receiving the IRS records.

Warning !!

- The following acts are crimes under Federal and State Law and persons found guilty of the acts can be *fined up to $10,000 or put in prison for up to 3 years or both.*
  - Lending your Medicaid card;
  - Giving any information known to be false in order to gain Medicaid benefits;
  - Hiding any information about the occurrence of an event that you know will bear on your right to Medicaid benefits or the right of another person for whom you applied and who is receiving Medicaid coverage;
  - Applying for Medicaid for another person and using the benefits for yourself or someone else who is not eligible.

What Services are Covered?

- Inpatient and outpatient hospital services
- Physician services
- Medical and surgical dental services
- Nursing facility (NF) services for individuals aged 21 or older
- Home health care for persons eligible for NF services
- Family planning services and supplies
- Health clinic services and any other ambulatory services offered by a health clinic that are otherwise covered under the state plan
- Laboratory and x-ray services
- Pediatric and family nurse practitioner services
- Nurse-midwife services (to the extent authorized under state law)
- Early and periodic screening, diagnosis, and treatment (EPSDT) services for individuals under age 21

How Long Does it Take?

- Federal rights insure a prompt disposition of your application.
- Enforcing the *federally mandated deadline of 90 days* found in the Code of Federal Regulations, and the state deadlines (in New Jersey, the recommended processing time is 30 days) can be done through a fair hearing, which is an informal proceeding before an administrative law judge. These hearings are often used to expedite the decision making process of the county and state welfare agencies.
- Certain annuity and trust provisions must not only be reviewed by the county welfare office in which the Medicaid application is filed, but in New Jersey, must be submitted to the Division of Medical and Health Services, located in Trenton.
- Individuals who do not exercise their federal and state rights to a prompt decision on their Medicaid applications **might otherwise find themselves waiting** *over a year* to learn whether their nursing home bills, which had been accruing, will be covered by the benefits programs.