Toward Seamless Coverage: Medicaid-Medicare Transitions

Julie Carter
Federal Policy Associate

About NCOA's Center for Benefits Access

Helps organizations enroll seniors and adults with disabilities with limited means into benefits programs for which they are eligible to increase their economic security

About NCOA's Center for Benefits Access

- The Center accomplishes its mission by:
  - Providing tools, resources, and technology that help local, state, and regional organizations ~~to~~ find, counsel, and assist seniors and adults with disabilities with enrolling in the benefits (e.g., MSP, LIS, SNAP, Medicaid, LIHEAP)
  - Generating and disseminating new knowledge about best practices and cost-effective strategies for benefits outreach and enrollment

Background

- An estimated 11.1 million Americans gained coverage through the Affordable Care Act's expansion of Medicaid.
- As these individuals become eligible for Medicare, they may face challenges with enrolling in new coverage and accessing needed low-income supports.

Background

- As part of NCOA's goal to find and enroll older adults in Medicare and other benefits programs, NCOA partnered with the Medicare Rights Center (Medicare Rights) to conduct research into identifying enrollment gaps and opportunities in Medicare transitions for adults with Expansion Medicaid.

About Medicare Rights

- **National helpline:** Around 20,000 questions answered per year—affordability, denials, and enrollment confusion are perennial problems
- **Education:** Uses helpline information to develop educational programming serving millions annually
- **Policy:** Regulatory and legislative comments, education of policymakers, voice for consumers in Washington, DC and New York

The project

- Medicare Rights worked in partnership with and with funding from NCOA.

- We conducted a survey of states that are offering Medicaid to the Adult Group (expansion Medicaid) as a result of the Affordable Care Act.

The goals

- Learn how states help Medicaid expansion enrollees transition to other Medicaid programs, Medicare, and Medicare Savings Programs (MSPs)
- Look for promising practices among the various states and the challenges that can hinder those practices
- Spot themes and trends in states

Types of transitions

- Adult Group Medicaid → Medicare only
- Adult Group Medicaid → Medicare + ABD Medicaid
- Adult Group Medicaid → Medicare + Medicare Savings Program

About Medicaid expansion

- 31 states, plus DC, have expanded Medicaid eligibility to adults 19-64 under 138% of the Federal Poverty Level (FPL) ($16,643 in most states).

- A person cannot be dually enrolled in expansion Medicaid and Medicare…

- … so those who become eligible for Medicare must transition from one program to another.

About Medicare

- Provides health care coverage to 57 million people who are 65 and older or have a permanent disability

- Split into several parts
  - Medicare Part A (Hospital Insurance)
  - Medicare Part B (Medical Insurance)
  - Medicare Part C (Medicare Advantage)
  - Medicare Part D (Medicare prescription drug coverage)

Financial help for people with Medicare

- **From the federal government:** The Low-Income Subsidy (LIS)—also called "Extra Help"—provides assistance paying for the Medicare drug benefit

- **From the state:** Medicare Savings Programs, funded through Medicaid, provides assistance paying other Medicare costs

More on Medicare Savings Programs

- **Qualified Medicare Beneficiary (QMB)**: Pays for Medicare Part A and B premiums, deductibles and coinsurances or copays. Usually <100% FPL.
- **Specified Low-income Medicare Beneficiary (SLMB)**: Pays for Medicare's Part B premium. Usually 100-120% FPL.
- **Qualifying Individual (QI) Program**: Pays for Medicare's Part B premium. Usually 120-135% FPL.

Income and asset limits compared

Program	Income limit	Asset limit
Adult Group	138% FPL ($1387/month)	None
ABD Medicaid*	73% FPL ($735/month)	$2000
QMB	100% FPL ($1005/month)**	$7390***
SLMB	100-120% FPL ($1206/month)	$7390
QI	120-135% FPL ($1357/month)	$7390

* Aged, Blind, and Disabled Medicaid. States vary in their income limits for ABD Medicaid, but 73% of FPL is the most common.

** Several states have raised the income limits for MSPs

*** Several states have eliminated the asset limit for MSPs

The “Medicaid cliff”

- Medicaid generally has no premiums, deductibles, or other cost sharing.
- Medicare has monthly premiums, annual deductibles, and other cost sharing.
- Average out-of-pocket costs for Medicare enrollees excluding premiums is $3,024 per year ($252/month). With average premiums, that would be $4,632 per year ($386/month).

"Medicaid cliff" example: Terry

- Terry is turning 65 in a month. His income is $804/month (80% of the FPL).
- If Terry spent the average on his Medicare expenses, he would have only $418/month left over for all other expenses.
- Terry might be eligible for another program. What else do we need to know?

“Medicaid cliff” example: Kate

- Kate is turning 65 in a month. Her income is $1,256/month (125% of the FPL).
- Kate might be eligible for another program. What else do we need to know?

Adequate notice

- Goldberg v. Kelly, 397 U.S. 254 (1970).

States are required to provide “timely and adequate” notice to all Medicaid applicants and beneficiaries of any decision or change affecting their Medicaid benefits.

Adequate notice

- 42 CFR § 435.917 Notice of agency's decision concerning eligibility, benefits, or services.

  Agency must provide all applicants and beneficiaries with **timely and adequate** written notice of any decision affecting their eligibility, including an approval, denial, termination or suspension of eligibility, or a denial or change in benefits and services. Such notice must –

  - Be written in plain language
  - Be accessible to persons who are limited English proficient and individuals with disabilities

Adequate notice

- 42 CFR § 431.210 Content of notice. Notices must contain:

  - What action the agency intends to take
  - When
  - Why
  - Fair hearing rights
  - Continuance rights if a hearing is requested

Project methods

- Conducted initial online research into how and if states post information on Medicaid, Medicare, and Medicare Savings Programs
- Developed a short questionnaire through an iterative process with feedback from CMS, NCOA, and advocates
- Launched the survey and interview process
- Kept the survey in the field for six months

Who has responded?

- Targeting all 31 expansion states, plus DC
- Good information from 22 states
- Unique perspectives from state employees, SHIP employees, and advocates

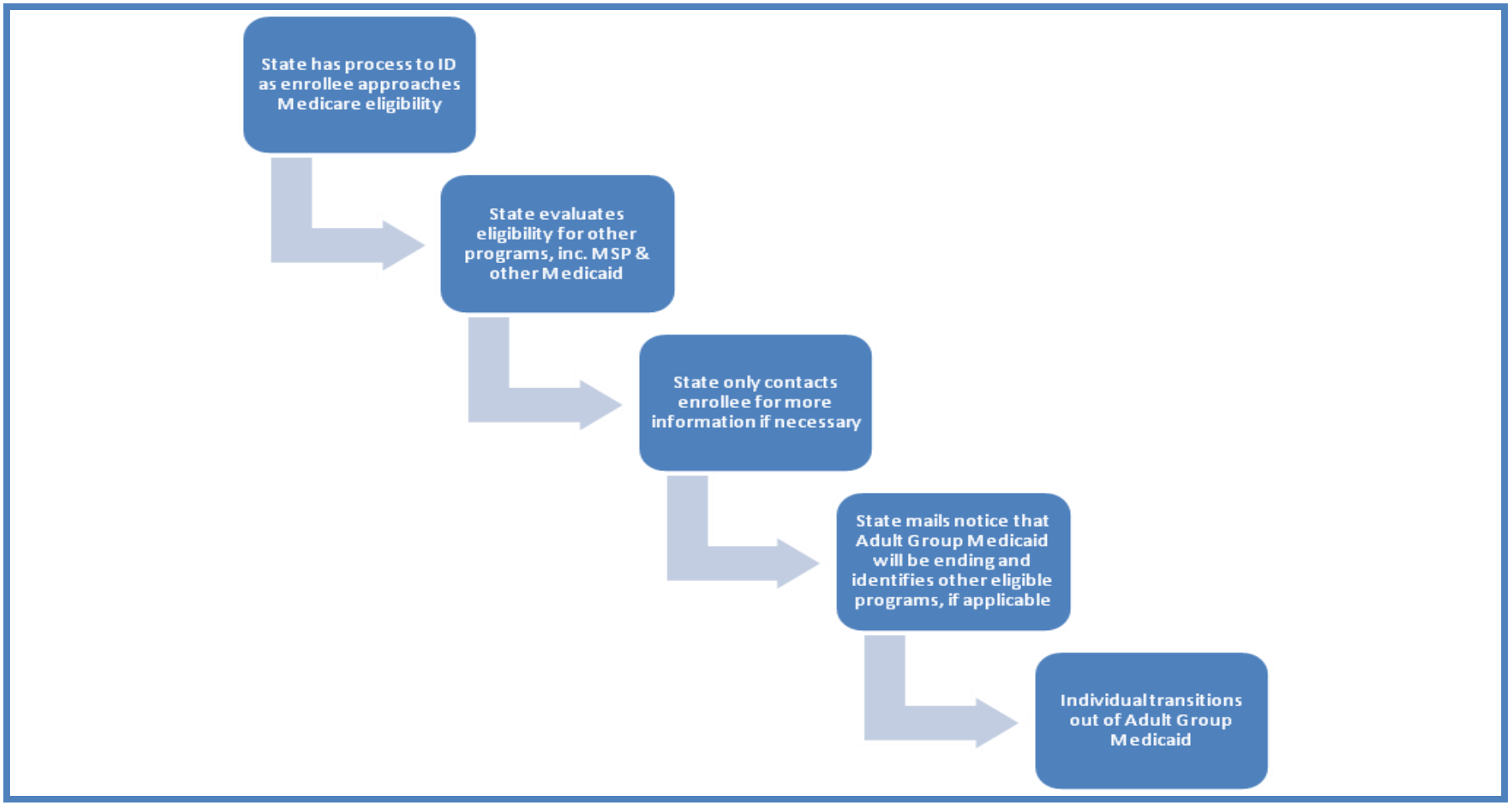
Big picture

- If states do not view this area as one that is of primary concern to them, they may not be willing to take steps to ease transitions, even when failing to do so may cause harm to beneficiaries, headaches for the state, and hassles for caseworkers and advocates.

How about your state?

- How well do you feel your state prepares and helps beneficiaries make the transition to Medicare?

“Ideal” process map



Themes in transition

- Beneficiaries are confused
- Late identification of beneficiaries who are approaching Medicare eligibility
- Poor communications from state to beneficiaries
- Determination and redetermination delays or other issues
- Anything else for your state?

Beneficiary confusion

- Do not understand why they are losing Medicaid
- Reject Medicare to try to stay on Medicaid
- Unaware of MSPs or LIS
- Unaware MSPs are Medicaid
- Confusion caused by all transition issues
- Anything else?

Late identification

- What causes it?
  - Lack of usable data
  - IT issues, esp. incompatible systems
  - Major issues around SSDI beneficiaries
- Anything else?

Identification: promising practices

- Relatively few promising practices in this area

- New York
  - Contact information and other data for all of its Medicaid recipients, including when they will reach the age of Medicare eligibility

  - Also improving its processes for identifying SSDI recipients as they reach the end of their 2-year waiting period

Identification: ongoing challenges

- IT problems persist, though some states may be smoothing out wrinkles in new systems
- Staffing and training
- State budgets
- IDing SSDI recipients

Poor communication

- Late notices, including arriving after Medicaid termination
- Poorly designed/worded notices
- Language access
- Missing opportunities with websites
- Anything else?

Adequate notice

- Our assumption
  - Every state is adequately and timely notifying Adult Group Medicaid recipients that they are losing coverage
- The reality
  - Every state is trying. Some are not succeeding… yet?

Communication: promising practices

- Notify individuals approaching Medicare eligibility as early as possible
  - NY: 60 days
  - CT: 45 days

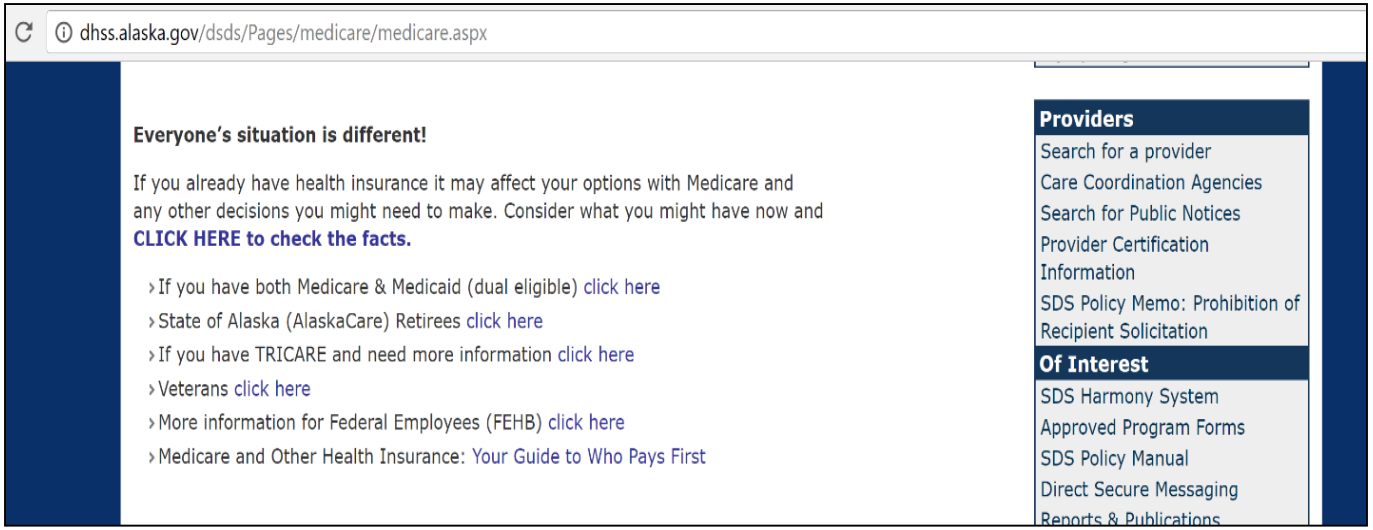
- Avoiding jargon
  - WA website

Communication: promising practices

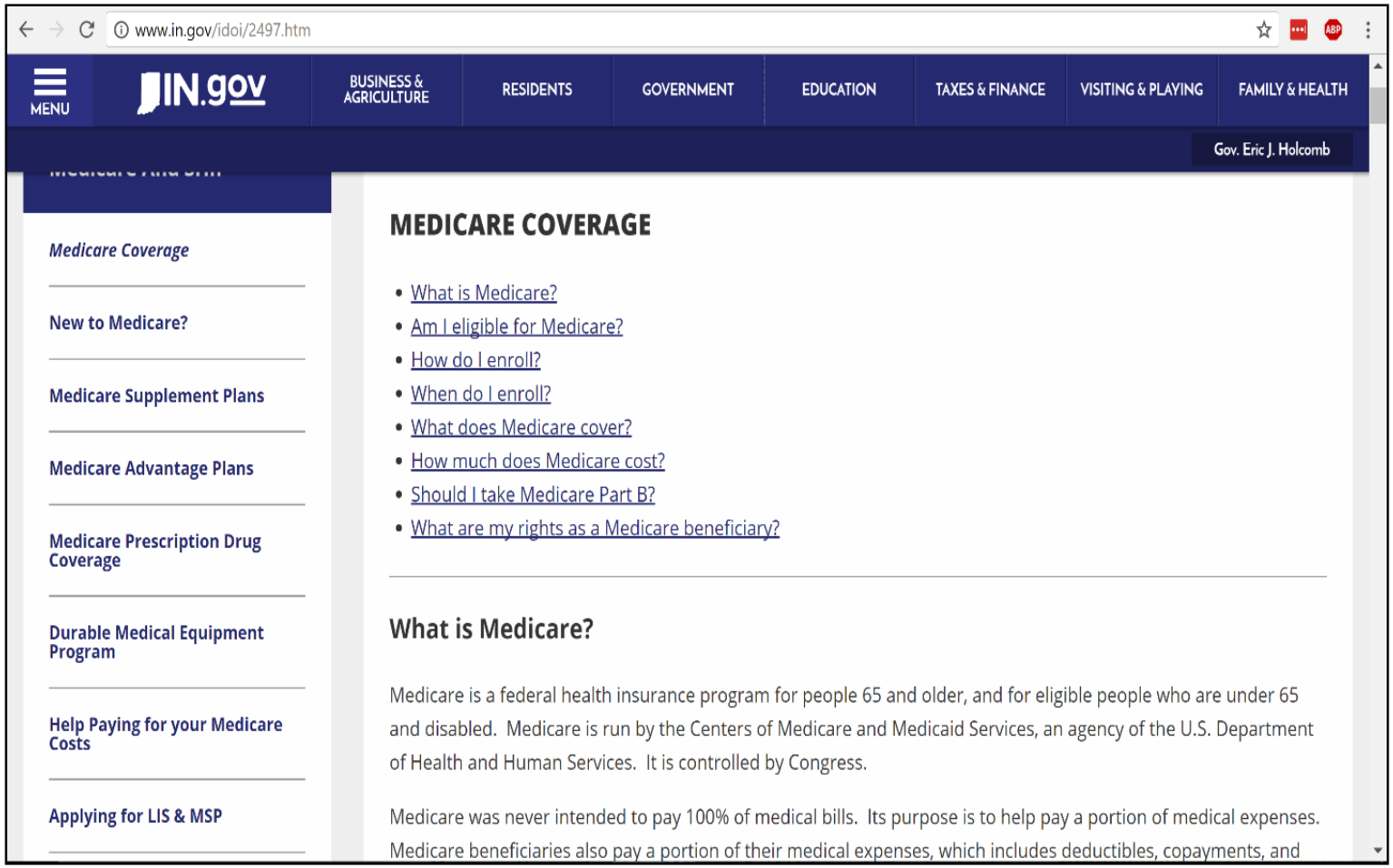
- Clear notices, including information on MSPs and next steps
  - LA
  - CT
- Request and/or incorporate advocate and consumer input
  - CA
  - LA

Communication: promising practices

- Provide online information including specifics about Medicare enrollment rules
  - IN
  - AK



Communication: promising practices



Communication: ongoing challenges

- Lack of timeliness, despite process in place
  - Missing data, systems conflicts
  - Backlogs
  - Human error
- Reaching beneficiaries
  - Even good notices/websites may not be read
  - Marketing challenges, getting eyes on the material
- Language access

Determination & redetermination issues

- Poorly designed applications
- Burdensome application or redetermination process
- Rapid-fire redeterminations
- Anything else?

Determination: promising practices

- Pre-notice assessment (ex parte) of eligibility
  - LA
- Eliminate asset test for MSPs
  - AZ
  - DC
- Increase income eligibility for MSPs
  - DC
  - CT

Determination: promising practices

- Provide a soft transition landing
  - CA
- Align redetermination schedules among multiple benefits
  - CT
- Provide targeted, streamlined applications
  - DC

Key takeaways

- The Adult Group program is in its infancy.
- Some processes take a while to implement or perfect.
- Political uncertainty may be playing a role.
- Most interview subjects did not feel their states were doing a good job preparing for transitions or getting eligible Medicare enrollees into MSPs.

Areas of concern

- Staffing continues to fall in most areas.
- Notices are too often not adequate and timely.
- Coordination between federal and state entities is often poor.
- Budgets may not allow some of the problems to be addressed soon.

Follow up

- The target release date for the paper is September 5th.
- More research into individual state practices is needed.
- State-specific toolkits that show the processes the states uses are a vital next step.

Stay tuned!

- Visit us at **www.medicarerights.org, www.ncoa.org**
- Follow **@medicarerights, @NCOAging**