

# **HEALTH REFORM OVERSIGHT COMMITTEE**

Department of Vermont Health Access

August 11, 2015

# MANDATORY AND OPTIONAL MEDICAID SERVICES

Mandatory Benefits	Optional Benefits
<ul style="list-style-type: none"> <li>• Inpatient hospital services</li> <li>• Outpatient hospital services</li> <li>• EPSDT: Early and Periodic Screening, Diagnostic, and Treatment Services</li> <li>• Nursing Facility Services</li> <li>• Home health services</li> <li>• Physician services</li> <li>• Rural health clinic services</li> <li>• Federally qualified health center services</li> <li>• Laboratory and X-ray services</li> <li>• Family planning services</li> <li>• Nurse Midwife services</li> <li>• Certified Pediatric and Family Nurse Practitioner services</li> <li>• Freestanding Birth Center services (when licensed or otherwise recognized by the state)</li> <li>• Transportation to medical care</li> <li>• Tobacco cessation counseling for pregnant women</li> </ul>	<ul style="list-style-type: none"> <li>• Prescription Drugs</li> <li>• Clinic services</li> <li>• Physical therapy</li> <li>• Occupational therapy</li> <li>• Speech, hearing and language disorder services</li> <li>• Respiratory care services</li> <li>• Other diagnostic, screening, preventive and rehabilitative services</li> <li>• Podiatry services</li> <li>• Optometry services</li> <li>• Dental Services</li> <li>• Dentures</li> <li>• Prosthetics</li> <li>• Eyeglasses</li> <li>• Chiropractic services</li> <li>• Other practitioner services</li> <li>• Private duty nursing services</li> <li>• Personal Care</li> <li>• Hospice</li> <li>• Case management</li> <li>• Services for Individuals Age 65 or Older in an Institution for Mental Disease (IMD)</li> <li>• Services in an intermediate care facility for Individuals with Intellectual Disability</li> <li>• State Plan Home and Community Based Services- 1915(i)</li> <li>• Self-Directed Personal Assistance Services- 1915(j)</li> <li>• Community First Choice Option- 1915(k)</li> <li>• TB Related Services</li> <li>• Inpatient psychiatric services for individuals under age 21</li> <li>• Other services approved by the Secretary</li> <li>• Health Homes for Enrollees with Chronic Conditions – Section 1945</li> </ul>

# MEDICAID OPTIONAL SERVICES: NEW ENGLAND + NEW YORK

Services	VT	CT	MA	ME	NH	NY	RI
Prescription Drugs	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Clinic Services-clinic services by an organized clinic not part of a hospital	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Physical Therapy	Yes	Yes	Yes	Yes	Yes	Yes	No
Occupational Therapy	Yes	No	Yes	Yes	Yes	Yes	No
Other diagnostic, screening, preventive and rehabilitative services	Yes (all)	Yes (all)	Yes (all)	Yes (all)	Yes (all)	Yes	Yes (no diagnostic /screening)
Speech, hearing and language disorder services	Yes	Yes	Yes	Yes	Yes	Yes	No
Respiratory care services	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Rehabilitative services-Mental Health and Substance Abuse	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Podiatry services	Yes	Yes	Yes	Yes	Yes	No	Yes
Optometry Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dental Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dentures	No	Yes	Yes	Yes	No	Yes	Yes

Sources: The chart was compiled from a review of Medicaid state plans and information published by the Kaiser Family Foundation (accessed on August 10,<sup>3</sup> 2015). States may have waivers which could include additional optional benefits that are not depicted in this chart.

# MEDICAID OPTIONAL SERVICES: NEW ENGLAND + NEW YORK

	VT	CT	MA	ME	NH	NY	RI
<b>Prosthetics</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Eyeglasses</b>	No	Yes	Yes	Yes	Yes	Yes	Yes
<b>Chiropractic Services</b>	Yes	Yes	Yes	Yes	No	No	No
<b>Private duty nursing services</b>	Yes	No	Yes	Yes	Yes	Yes	No
<b>Personal Care</b>	Yes	No	Yes	Yes	Yes	Yes	Yes
<b>Hospice</b>	Yes	No	No	Yes	No	No	No
<b>Case Management</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Services for Individuals Age 65 or Older in an Institution for Mental Disease (IMD)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>State Plan Home and Community Based Services- 1915(i)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Self-Directed Personal Assistance Services- 1915(j)</b>	Yes	No	No	No	No	<i>Data not available</i>	No
<b>Tuberculosis (TB) Related Services</b>	No	No	No	No	No	<i>Data not available</i>	Yes
<b>Inpatient psychiatric services for individuals under age 22</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Health Homes for Enrollees with Chronic Conditions – Nursing services, home health aids and medical supplies/equipment</b>	Yes	No	No	Yes	No	Yes	Yes

Sources: The chart was compiled from a review of Medicaid state plans and information published by the Kaiser Family Foundation (accessed on August 10,<sup>4</sup> 2015). States may have waivers which could include additional optional benefits that are not depicted in this chart.

# MEDICAID SPENDING IN VERMONT COMPARED TO OTHER REGIONAL STATES

Medicaid Spending by Service (FFY 2014)				
State	Acute Care	Long-Term Care	DSH Payments	Total
Connecticut	\$4,194,040,934	\$2,888,126,680	\$149,024,544	\$7,231,192,158
Maine	\$1,590,280,368	\$827,567,260	\$39,328,950	\$2,457,176,578
Massachusetts	\$10,333,520,762	\$4,269,201,576	\$0	\$14,602,722,338
New Hampshire	\$555,436,277	\$678,967,270	\$109,314,773	\$1,343,718,320
New York <sup>1</sup>	\$35,605,322,810	\$15,232,267,682	\$3,366,485,105	\$54,204,075,597
Rhode Island <sup>1</sup>	\$2,069,517,652	\$240,416,400	\$138,322,435	\$2,448,256,487
Vermont <sup>2</sup>	\$1,369,634,401	\$127,690,959	\$37,448,781	\$1,534,774,141

**Legend:**

**Red:** Highest spending per service category

**Green:** Lowest spending per service category

**Footnotes:**

1. Arizona, Delaware, Florida, Hawaii, Kansas, New Mexico, New York, North Carolina, North Dakota, Rhode Island, and Tennessee have MLTSS programs. Much of their long-term care spending shows up as managed care spending. Unable to parse out acute care versus long-term care managed care spending. In these tables managed care spending is grouped with acute care services. As a result, not all long-term care spending in these states is being captured as long-term care spending.
2. Due to the structure of Vermont's Medicaid program, some of the state's long-term care spending is reported as acute care.

# MEDICAID SPENDING IN VERMONT & OTHER REGIONAL STATES

Medicaid Spending Per Full-Benefit Enrollee (FFY 2011) <sup>1</sup>					
Location	Aged	Individuals with Disabilities	Adults	Children	Total
Connecticut	\$30,560	\$31,004	\$4,538	\$3,158	\$8,122
Maine	\$19,881	\$16,920 <sup>2</sup>	\$2,194	\$2,528	\$6,761
Massachusetts	\$27,205	\$16,927	\$4,496	\$4,173	\$11,091
New Hampshire	\$26,794	\$21,545	\$3,662	\$3,241	\$7,705
New York	\$28,336	\$33,808	\$5,339	\$2,707	\$10,307
Rhode Island	\$16,998	\$21,417	\$5,778	\$4,290	\$9,541
Vermont	\$14,258	\$17,789	\$6,062	\$5,214	\$7,951

**Legend:**

**Red:** Highest spending per service category

**Green:** Lowest spending per service category

**Footnotes:**

1. Data may not capture all changes to state Medicaid programs following implementation of the Affordable Care Act.
2. Due to data quality issues, individuals with disabilities in Maine who were enrolled in Medicaid only in Q4 are not included in state or national spending per enrollee calculations.

# How does Vermont Medicaid eligibility compare to other New England States?

MCA Medicaid Income Eligibility Standards*								
Population	Federal Minimum Medicaid Income	Vermont	New Hampshire	Maine	Massachusetts	Rhode Island	Connecticut	New York
Children** Ages 0-1	133%	312%	318%	191%	200%	261%	196%	218%
Children** Ages 1-5	133%	312%	318%	157%	150%	261%	196%	149%
Children** Ages 6-18	133%	312%	318%	157%	150%	261%	196%	149%
Children - Separate CHIP	N/A	N/A	N/A	208%	300%	N/A	312%	400%
Pregnant Women**	133%	208%	196%	209%	200%	190%	258%	218%
Pregnant Women - CHIP	N/A	N/A	N/A	N/A	200%	253%	N/A	N/A
Adults - Parents	See Comments	133%	133%	100% See Comments	133%	133%	196%	133%
Adults - New Adult Category (childless adults) & Other	133%	133%	133%	See Comments	133%	133%	133%	133%
Medicaid Expansion State?	N/A	Yes	Yes	No	Yes	Yes	Yes	Yes
Comments	In Medicaid expansion states, the eligibility standard for the Adults/Parents Category is consumed within the New Adult Category; therefore, the minimum income eligibility standard for the two categories is the same. For non-expansion states, the minimum income standard for the Adults/Parents Category is based upon the state's AFDC income standard that was in effect on 5/1/88.			ME is not a Medicaid expansion state so it does not cover New Adult Category and, accordingly, is not required to cover parents up to 133% FPL. (See Comments under "Minimum Medicaid Income Standard - Under Federal Law.") ME covers 19-20 year olds up to 156% FPL.	<i>Pregnant Women</i> - MA provides Medicaid to pregnant women with eligible immigration status up to 200% FPL & CHIP covers pregnant women, up to 200% FPL, who don't qualify for Medicaid due to immigration status. <i>Other Adults</i> - In addition to the New Adult Category, MA covers 19-20 year olds up to 150% FPL.			<i>Other Adults</i> - In addition to the New Adult Category, NY covers 19-20 year olds up to 150% FPL.

\*MCA is Medicaid for Children and Adults. This chart does not include Medicaid for Aged, Blind & Disabled (MABD). Percentages refer to the Federal Poverty Level (FPL). Percentages of the FPL in this chart do not include the income disregard that is equal to five percentage points of the FPL (e.g., 133% -> 138%). MCA Medicaid income standards are based upon a Modified Adjusted Gross Income Standard (MAGI) methodology. Federal law prohibits an asset/resource test in Medicaid that is based upon a MAGI methodology.

\*\*For Medicaid for children and pregnant women, a state's minimum income requirements may be higher than 133% of the FPL depending on the state's income eligibility standards in 1989. 7

## MAGI ELIGIBILITY CATEGORIES: VERMONT COMPARED TO THE FEDERAL MINIMUM

	Federal Law Requirement	Vermont Coverage
<b>Children</b>	Up to 133% FPL	Up to 312% FPL
<b>Pregnant Women</b>	Up to 133% FPL	Up to 208% FPL
<b>Adults</b>	Up to 133% FPL for Medicaid expansion states	Up to 133% FPL; Adults in the new adult category, includes parents

### **Maintenance of Effort (MOE) Requirements in the Affordable Care Act:**

- Provision related to adults. Expired and is longer in effect.
- Provision related to children. **In effect through September 30, 2019.** Under the MOE requirements of the ACA, the State of Vermont cannot restrict Medicaid for children from what was in effect on March 23, 2010 (current FPL level).



# Resources for Medicaid Eligibility and Coverage

**Kaiser Family Foundation Medicaid & CHIP:** <http://kff.org/state-category/medicaid-chip/>

The site compiles information about states health coverage programs for the low-income, including Medicaid and the Children's Health Insurance Program (CHIP). Includes topics such as enrollment, eligibility requirements, managed care participation, spending and federal matching amounts, and enrollment practices.

## **Eligibility**

- Trends in Medicaid and chip eligibility limits by state 2000-2015: <http://kff.org/data-collection/trends-in-medicaid-income-eligibility-limits/>
- Summary report of trends in income limits: <http://kff.org/report-section/trends-in-medicaid-and-chip-eligibility-over-time-section-1-eligibility-trends-by-group/>
- Health Costs and Budgets Indicators: <http://kff.org/state-category/health-costs-budgets/>
- Spending
  - [Medicaid spending per full benefit enrollee \(comparison by state\)](#)
  - [Medicaid medically needy program spending \(comparison by state\)](#)
- Premiums/Cost Sharing
  - [Premium and cost sharing requirements for expansion adults \(comparison by state\)](#)
  - [Premiums, enrollment fees and cost-sharing requirements for children \(comparison by state\)](#)

## **Benefits**

- Tables on coverage of Medicaid benefits including optional services (i.e., dental, PT, OT, vision, etc.): <http://kff.org/state-category/medicaid-chip/medicaid-benefits/>
- List of Medicaid and CHIP Benefits- optional and mandatory: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/Downloads/List-of-Medicaid-and-CHIP-Benefits.pdf>

## **Other Program Information**

- Medicaid Programs by state: [State Medicaid and CHIP profiles](#)
- CHIP State Program Information: <http://www.medicaid.gov/chip/state-program-information/chip-state-program-information.html>
- Map of CHIP: <http://www.medicaid.gov/chip/downloads/chip-map.pdf>
- Map of Medicaid Expansion States: <http://kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/>

# WHAT IS MAGI?

## Modified Adjusted Gross Income:

Adjusted Gross Income (*AGI per the federal income tax which includes taxable SSA*)  
+ Foreign earned income (*of US citizens living abroad if US residents*)  
+ Tax-exempt interest income  
+ Social Security benefits (*non-taxable SSA not already included in AGI*)  
**= MAGI**

MAGI is used to determine eligibility for APTC/CSR.

MAGI-Based Medicaid eligibility is based on MAGI **after** adjustments.

The following adjustments are made to MAGI to determine MAGI-based Medicaid eligibility:

1. Lump sums are only counted in the month of receipt.
2. Scholarships, awards, or fellowship grants used for education purposes and not for living expenses are excluded.
3. Certain American Indian and Alaska Native income derived from distributions, payments, ownership interests, real property usage rights, and student financial assistance under the Bureau of Indian Affairs education programs are excluded.

# OPTIONS FOR ASSET TESTS IN MEDICAID?

## Can assets be considered in Medicaid eligibility determinations?

Medicaid for Children and Adults (MCA) – No. MCA Medicaid uses the MAGI methodology. **Federal law prohibits an asset test in MAGI Medicaid.** MCA includes Medicaid for children, pregnant women, parents of dependent children, and the new adult category.

Medicaid for Aged, Blind and Disabled (MABD) – Yes. Vermont does have asset tests in determining eligibility for Medicaid for Aged, Blind and Disabled. DETAILS ON NEXT SLIDE

**NOT IN COMMITTEE SLIDE DECK**

# ASSET TESTS FOR MABD MEDICAID

Resource test for MABD is the same as that for federal Supplement Security Income benefits (SSI).

1. Federal limits:

- \$2,000 single individual
- \$3,000 individual and spouse

2. Federal law excludes numerous resources from being counted – some examples are:

- Home
- Household goods/personal effects
- 1 automobile
- Burial fund up to \$1,500
- Certain trusts

3. Federal law gives states the option of being more liberal (less restrictive) than federal law in the treatment of resources for Medicaid eligibility.

Vermont has exercised this option. Examples of more liberal resource exclusions in Vermont are:

- Real property (other than the home) that is up-for-sale
- Real property (other than the home) that produces income that meets living expenses
- Property used to produce goods for home consumption
- All automobiles of any value
- Burial funds up to \$10,000
- Annuities/promissory notes that produce income that aligns with the individual's life expectancy

# ELIGIBILITY REDETERMINATIONS

Plan All Renewals		
	Timeline	Number of Households
Legacy MCA Renewals	Begin sending renewal notices October 2015	27,800
VHC MCA Renewals	Begin sending renewal notices January 2016	54,500
Legacy MABD Renewals	Begin sending renewal notices October 2015	13,000
VPharm	Renewals due June 30 each year	13,500

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