



Non-MAGI Budgeting for Disabled, Aged, and Blind New Yorkers

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Today's Agenda

- **Identifying non-MAGI population**
- **Non-MAGI budgeting**
 - **Household size**
 - **Income**
 - **Resources**
- **Spenddown and Other Coverage Options**

Identifying Non-MAGI Population

What is MAGI?

- **Modified Adjusted Gross Income (MAGI) is a methodology for determining household size and income based on tax law**
- **Used to determine eligibility for all Insurance Affordability Programs (including Medicaid, Child Health Plus, Advance Premium Tax Credits, Cost Sharing Reductions) under the Affordable Care Act**

MAGI and Non-MAGI

- **Generally, MAGI budgeting used for non-disabled / under 65 population but with exceptions**
- **Non-MAGI budgeting is only available at the Local Departments of Social Services (LDSS) – all NY State of Health cases have MAGI budgeting**
- **Those eligible for MAGI budgeting rules but whose cases remain at LDSS use “MAGI-like” budgeting: MAGI income rules and non-MAGI household composition rules.**

Identifying Non-MAGI Populations

- **Categorically eligible (e.g. SSI, children in foster care)**
- **Age 65+ when age is condition of eligibility**
- **Eligibility based on being blind or disabled**
- **Eligible for long term care services**
- **Eligible for Medicare cost sharing (MSP)**
- **Medically Needy (spenddown)**
- **Applicants for Medicaid Buy-In for Working People with Disabilities**
- **Applicants for Cancer Treatment Programs if income over 138% FPL**
- **Former foster care youth (now under 26, who were in FC in NYS and receiving Medicaid at 18)**
- **Residents of adult homes, residential treatment centers/community residences operated by OMH**
- **COBRA continuation of premium payments**

Some Can Choose MAGI or Non-MAGI Budgeting

- Certified disabled under age 65, *but not yet receiving Medicare*
- Parent/caretaker relatives, *even if they are disabled, over 65 and/or receiving Medicare*
- Disabled children, *unless they are in a waiver program*

IMPORTANT: If you are eligible for MAGI or non-MAGI, you are entitled to most favorable budgeting!

Non-MAGI Budgeting



Non-MAGI Eligibility Budgeting Unchanged by ACA

- **Individuals in a non-MAGI group follow pre-ACA budgeting methodologies**
 - **No changes to income and resource limits**
 - **Use SSI-related budgeting**
 - **SSI-related: 65+, certified blind, and/or certified disabled**
 - **Elderly and disabled can still use spenddown**
 - **Disabled can still use Supplemental Needs Trust**
 - **MBI-WPD still option for some**
 - **No changes to Medicare Savings Program application process**

SSI-Related Budgeting

- Income limits lower than MAGI and MAGI-like budgeting
- Complex household size rules
- Income disregards available
- There is a resource test

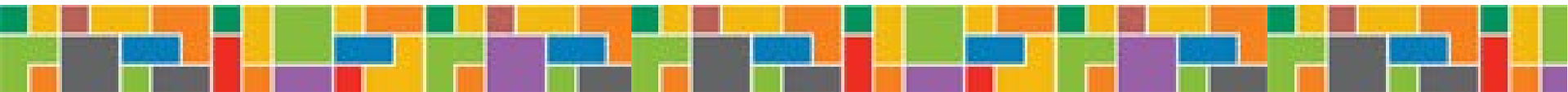
1. Non-MAGI Medicaid Levels (SSI and SSI-Related Consumers With or Without A Surplus)											
Family Size	1	2	3	4	5	6	7	8	9	10	Each Additional Person
Monthly Income	\$825	\$1,209	\$1,390	\$1,571	\$1,753	\$1,934	\$2,115	\$2,296	\$2,478	\$2,659	\$182

2. Non-MAGI Resource Levels											
Family Size	1	2	3	4	5	6	7	8	9	10	Each Additional Person
Resource Level	\$14,850	\$21,750	\$25,013	\$28,275	\$31,538	\$34,800	\$38,063	\$41,325	\$44,588	\$47,850	\$3,262



SSI-Related Household Size: Married Couples

	Household size for INCOME	Household size for RESOURCES
Both spouses are SSI-related	TWO	TWO
One spouse is SSI-related	TWO if income of non-SSI related spouse more than \$384 after allocation; otherwise ONE	TWO
Spouses living apart	ONE	ONE



SSI-Related Budgeting: SSI-Related Adult with Non-SSI-Related Spouse

- (After allocating income to non-SSI-related children)
- If remaining income of non-SSI-related spouse $> \$384$, deem the income to SSI-related spouse
- Then subtract disregards from SSI-related spouse's income

SSI-Related Household Size (cont.)

- **SSI-related children budgeted as household of ONE using their income and deemed income from parents**
- **Individuals receiving SSI or PA are not counted in household size and income does not count**

SSI-Related Budgeting: Income

- All earned or unearned, either one-time payment or recurring, minus deductions/disregards
- Generally counted in month received; if received quarterly or annually is pro-rated
- Earned income includes wages from self or contractual employment, salaries, tips, commissions, bonuses
- Unearned income is not received as compensation for work performed; includes Social Security, Workers Compensation, retirement and disability payments, dividends, interest, pensions, rent from tenants
- In-kind income is received in goods or services and can be earned or unearned

Income Disregards

- **SSI-Related Disregards**
 - **First \$65 of monthly gross earned income, plus 1/2 of remainder**
 - **First \$20 of unearned income**
 - **Health insurance premiums**
 - **See Medicaid Reference Guide for complete listing**
- **Disabled persons**
 - **Income deposited in Supplemental Needs Trust (SNT) is not counted**

N.Y. Soc. Serv. L § 366(2)(a)(5); 18 N.Y.C.R.R. §360-4.3, 4.6;

<http://www.health.state.ny.us/nysdoh/medicaid/mrg>.

SSI-Related Budgeting: Available Resources

- Available and countable cash or property convertible into cash
- Income not spent in previous month becomes resource
- Common resources are bank accounts in applicant's name, CDs, life insurance, stocks, IRAs not in payout status
- Higher limit for MBI-WPD

Resource Disregards

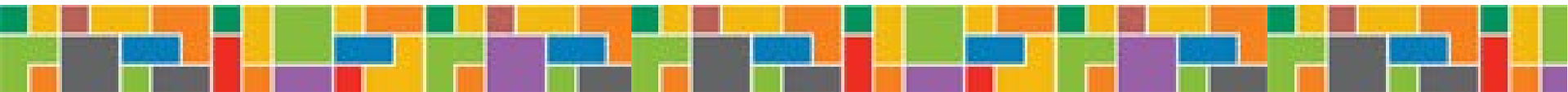
- **Allowed only if using SSI-related budgeting, and seeking community-based care (special budgeting for institutional based care)**
 - **Homestead: no home equity limit unless want long term care, then must be under \$840,000**
 - **Irrevocable pre-paid funerals arrangements: no \$ limit; \$1,500 burial fund limit with some exceptions**
 - **Irrevocable annuity, pension plan that is in actuarially sound payout status (payouts counted as income)**
 - **Special rules for income producing property and business deductions**
 - **See Medicaid Reference Guide for complete list**

Spousal Impoverishment Budgeting

- Available to a community spouse of an individual receiving certain Medicaid long term care services:
 - Nursing Home
 - Managed Long Term Care (MLTC)
 - Nursing Home Transition and Diversion or Traumatic Brain Injury waiver programs
- Spouse receiving MLTC or waiver services “keeps” \$384/month and allocates remainder of income to community spouse to bring community spouse’s income up to \$3,022.50/month
- If it is more advantageous for MLTC spouse to budget only own income, can treat MLTC spouse as a household of one.

Remedies for Excess Income and Resources

- **Transfer of Assets**
- **Spousal Refusal**
- **Spenddown**
- **Placing Excess in Supplemental Needs Trust**
- **Medicaid Buy-In for Working People with Disabilities**



Transfer of Assets

- **For community Medicaid (home care, hospital care, assisted living) no penalty for transfer of assets made prior to application**
- **May disqualify individual from receiving Medicaid for nursing home care if needed within 5 years.**
 - **Must document resources for 60 months for identification of non-exempt transfers - penalty calculated by dividing total amount by monthly regional nursing home cost**
 - **Some exceptions: transfer home to spouse, disabled child under 21, child who resided there and provided care; transfer assets to SNT if under 65; compensated transfer; hardship**

Spousal Refusal

- If applicant lives with a **Legally Responsible Relative (LRR)** whose income or resources are too high, the relative can submit signed statement that s/he cannot contribute towards applicant's medical expenses and support
- This relative's income and resources will not be counted and applicant will be counted as household of **ONE**
- Refusing spouse cannot have Medicaid
- The LRR is still liable for support and local district may sue. No policy, but practice to use income and resource levels applicable to institutionalized spouse
- Proposals made each year to repeal

Income or Resource Spenddown

- **Anyone with non-MAGI budgeting can spend down to the applicable income limit (medically needy level)**
- **Also available in cases of excess resources**
- **To meet spenddown:**
 - **Pay or incur medical expenses equal to or greater than excess income**
 - **Pay the amount of the excess income directly to the local district**
 - **Use a combination of both**

Spending Down

- Provides outpatient coverage for those who meet spenddown on a monthly basis
- Inpatient and outpatient coverage for those who meet six months of spenddown
- Bills must be incurred, need not be paid
- Can use bills for LRR (spouse) if LRR not using spousal refusal; for family members (e.g. child) for whom beneficiary is LRR
- Bills can include health insurance deductibles and co-payments, medically necessary expenses not covered by Medicaid (chiropractors, MDs who do not accept Medicaid), medical expenses covered by Medicaid, costs paid by public program (AIDS Drug Assistance Program)
- For services requiring prior approval, limited to what approved as medically necessary
- Special rules govern use of old / new bills, paid / unpaid bills, whether using as part of new Medicaid application or to maintain benefits

Spenddown and MLTC

- **MLTC enrollees “meet” their spenddown by virtue of being enrolled in the program**
- **Incur liability in the amount of the spenddown to the plan each month**
- **It is still possible to meet spenddown through other bills but is difficult to coordinate; must work with local district and plan**
- **Plan can initiate involuntary disenrollment for failure to pay spenddown**
- **Plan CANNOT stop services without notice or refuse to enroll because of spenddown**

Placing Excess Income or Resources in Supplemental Needs Trust (SNT)

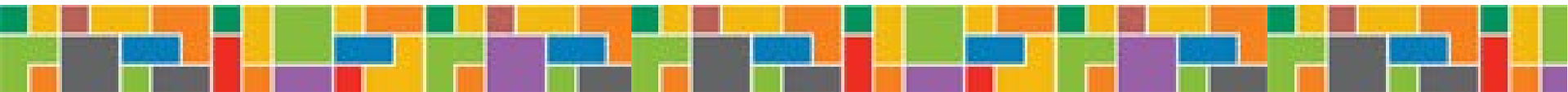
- Enables a person with a disability to maintain eligibility for government benefits, primarily Medicaid and SSI
- Purpose is to enhance the quality of life of disabled individual by permitting trust to pay for expenses not paid for by public benefits, such as rent
- Different kinds of trusts: rules depend on
 - whose money used to establish (self-settled or third party)
 - age of beneficiary (pooled only if age 65+, transfer of assets considerations)
 - type of public benefit (disbursements treated differently)

SNT Requirements

- **Irrevocable**
 - If could be dissolved, would be available asset
 - Beneficiary does not have right to direct
- **Beneficiary must be disabled**
- **Payback to State upon death**
 - State Medicaid program must be primary remainderman
 - If Pooled Trust, can be non-profit organization
- **Must contain language that trustee cannot impair beneficiaries' eligibility for public benefits**

The Medicaid Buy-In for Working People with Disabilities (MBI-WPD)

- The MBI-WPD allows disabled individuals ages 16-64 who are working and earning more than allowable limits to qualify for Medicaid coverage without having to meet a spenddown.



MBI-WPD Eligibility

- Engaged in paid work (can be part time)
- Total net available income is <250% FPL (\$2,513 / \$3,384)
- If all income is earned, single person can make up to \$61,332/yr gross and be eligible
- Resource standard \$20,000 (single) \$30,000 (couple) excluding retirement accounts, homestead, vehicle, life insurance with face value \$1,500 or less

Medicare Savings Program (MSP)

- **Helps eligible individuals meet some or all of their cost sharing obligations under Medicare. Three separate programs depending on income, all pay for Part B**
 - **QMB: Also pays for Medicare copays**
 - **SLMB, QI-1: Only pays Part B premium**
 - **QMB, SLMB: Can have Medicaid as well**
- **Can increase net available income**
- **No asset limit**
- **Uses rules for counting income for SSI-related recipients**



Questions?

