



# The Indiana Family and Social Services Administration

## 2014 Disability Eligibility Changes (1634 Transition)

Stakeholder Briefing  
January 30, 2014





# Introduction

**June 1, 2014:**

**Indiana implements eligibility changes to the aged, blind, and disabled (ABD) Medicaid program**



## Key Outcomes:

1) Comprehensive coverage for more Hoosiers

- Maintain consistent eligibility
- Ensure consistent provider reimbursement

2) Simplified disability eligibility process

- Coordinated State and Federal disability determination

3) Efficient use of Hoosier taxpayer dollars

- Leverage federal programs
  - Marketplace subsidies
  - Medicare Savings Program match



# Introduction

- This presentation addresses:
  - Upcoming ABD Medicaid program changes & improvements
  - Transition plan for current members
  - Future Medicaid application process changes

Program  
Changes &  
Improvements

Transition  
Plan

Application  
Process  
Changes

# Background & Program Changes

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graph LR; A[Program Changes & Improvements] --> B[Transition Plan]; B --> C[Application Process Changes]
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# 209(b) and 1634: What Does It Mean?

- Federal government allows states options for determining Medicaid eligibility for the aged, blind & disabled population
- Indiana is currently a 209(b) State
- In 2013, the Indiana General Assembly passed legislation to transition the State to 1634 status (IC 12-15-2-3.5)

| Policy Difference   | Current Status:<br>209 (b)   | Future Status:<br>(1634)   |
|---|--|--|
| SSI (Supplemental Security Income) Recipients & Medicaid Enrollment | <ul style="list-style-type: none"> <li>• No automatic enrollment</li> <li>• Separate application to Medicaid required</li> </ul> | <ul style="list-style-type: none"> <li>• Automatic enrollment</li> <li>• No separate application</li> </ul>      |
| Spend Down Program  | <ul style="list-style-type: none"> <li>• State is required to operate a spend down program.</li> </ul>                           | <ul style="list-style-type: none"> <li>• State is <u>not</u> required to operate a spend down program</li> </ul> |



# Spend Down Basics

Individuals with income over the SSI limit qualify if they meet other eligibility requirements

- Member spends down amount of excess income on medical bills

When spend down amount is met:

- Any remaining medical bills that month paid by Medicaid
- Process repeats each month
- Problems with spend-down:
  - Member coverage gaps
  - Inconsistent provider reimbursement

Spend down used by all aged, blind, & disabled populations over the SSI limit

- Duals (Medicare eligible)
- Non-Duals (non-Medicare eligible)
- Individuals with severe mental illness (SMI)
- Institutionalized and waiver services recipients > 300 % Federal Benefit Rate



## Eligibility Impact

- 76,010 members use the spend down provision
- Family and Social Services Administration assessed impact of eliminating spend down
  - As a 1634 state, Indiana is no longer required to operate the program
- Eligibility changes will be implemented to minimize loss of coverage & services



## Eligibility Changes

- *Increase* full coverage income eligibility limit to 100% FPL
- *Expand* income eligibility for the Medicare Savings Program
- *Create* new 1915(i) Behavioral and Primary Healthcare Coordination (BPHC) program
  - Medicaid Rehabilitation Option (MRO) services for members with Serious Mental Illness (SMI)



# Transition Plan for Current Members



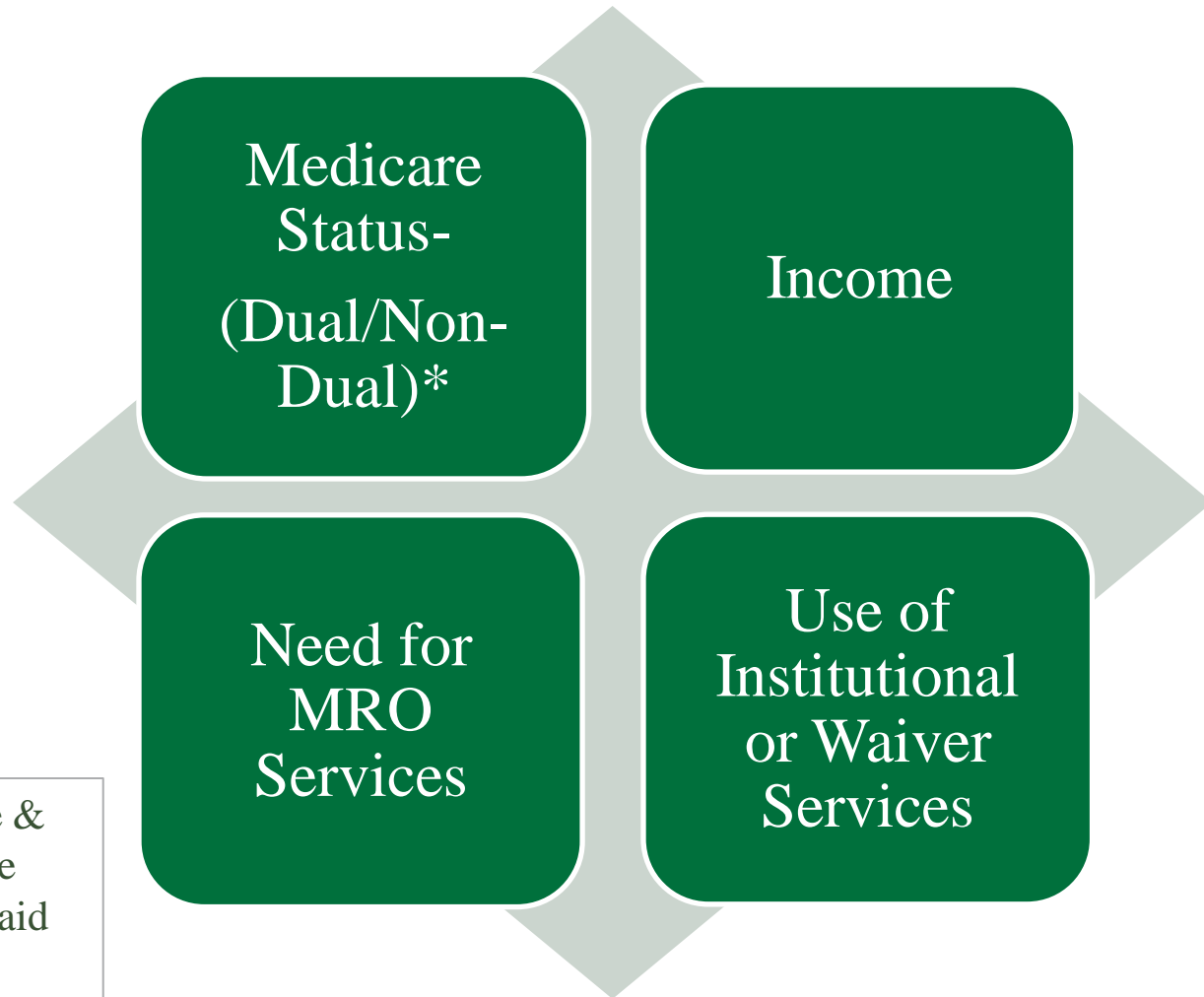
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# Future Coverage Opportunities for Current Members



\*Dual = Medicare & Medicaid coverage  
Non-Dual=Medicaid coverage only



# Non-Duals (no Medicare) with Spend Down: Future Coverage

## Full ABD Medicaid

Current eligibility:  
\$721/month  
(individual)

- Future eligibility: 100% FPL (\$973/month-individual)
- 2,882 new members

## Marketplace Coverage

Qualified Health Plans (QHPs)

- Non-duals between 100% and 400% FPL will qualify for:
  - Premium Tax Credits
  - Cost-Sharing Reductions
- 7,486 members transition to Marketplace



# Duals (Medicare-eligible) with Spend Down: Future Coverage

## Full ABD Medicaid

Current Eligibility:  
\$721/month (individual)

- Future eligibility: 100% FPL (\$973/month-individual)
- 23,860 new members

## Medicare Savings Program: Premium & Cost-Sharing Support

Current Eligibility: 100% FPL

- Future eligibility: 150% FPL
- Benefits: Payment of Parts A & B premiums, deductibles, & cost-sharing
- 26,879 new members

## Medicare Savings Program: Premium Support

Current Eligibility: 135% FPL

- Future eligibility: 185% FPL
- Benefits: Payment of Part B premiums
- 6,906 new members



# Spend Down vs. Marketplace: Costs & Services

- QHPs & Medicaid have similar services coverage
  - Some service limits for physical therapy, home health, & chiropractic
  - Non-emergency transportation & adult dental not covered
    - Dental coverage can be purchased separately
    - Low overall expenditures on transportation & dental in SFY 2013
- Marketplace coverage may be less expensive than spend down for members <400% FPL



# Spend Down vs. Marketplace: Cost Data

| 2013 FPL    | Annual Income Range Individual | Tax Credit (% of income required to pay) | Marketplace Maximum Required Monthly Premium Payment | Estimated Monthly spend down: Individual* | Marketplace Plan Maximum Annual Out-of Pocket: Individual** | Potential Annual Savings |
|-------------|--------------------------------|--|--|---|---|--------------------------|
| 100% - 133% | \$11,491-\$15,281              | 2%                                       | \$19 - \$25  | \$236-\$556                               | \$2,250   | \$354 -\$4,122           |
| 133% - 150% | \$15,282 - \$17,235            | 3%                                       | \$38 - \$43  | \$557-\$722                               | \$2,250   | \$3,978-\$5,898          |
| 150% - 200% | \$17,235 - \$22,980            | 4%-6.3%                                  | \$57 - \$120   | \$723-\$1,208                             | \$5,200   | \$2,792-\$7,856          |
| 200%-250%   | \$22,981 - \$28,725            | 6.3%-8.05%                               | \$121-\$192  | \$1,209-\$1,694                           | \$6,350   | \$6,706-\$11,674         |
| 250% -300%  | \$28,726 - \$34,470            | 8.05%-9.5%                               | \$193-\$272  | \$1,695-\$2,181                           | \$6,350   | \$11,674-\$16,558        |
| 300%-400%   | \$34,471-\$45,460              | 9.5%                                     | \$273-\$325  | \$2,182-\$3,153                           | \$6,350   | \$16,558-\$27,586        |

\* Spend down estimate based on difference between federal benefit rate and estimated monthly income at specified FPL

\*\* Out of pocket maximum may be less, actual out of pocket maximum dependent selected plan



# Future Coverage for Members with SMI

- Medicaid Rehabilitation Option (MRO) services not covered by:
  - Medicare
  - Most QHP's
- New 1915(i) program will provide continued MRO access
- Behavioral and Primary Healthcare Coordination (BPHC) program services:
  - Coordination of healthcare services across systems
  - Assistance in navigating the healthcare system
  - Referral and linkages to providers



# Proposed 1915(i) Eligibility Criteria

| Targeting Criteria  | Needs-Based Criteria   | Financial Eligibility   |             |                |        |         |         |         |
|---|--|---|-------------|----------------|--------|---------|---------|---------|
| <ul style="list-style-type: none"> <li>• Age 19 +</li> <li>• Medicaid Rehabilitation Option (MRO) eligible primary mental health diagnosis<br/>-(ex: schizophrenia, bipolar disorder, major depressive disorder, psychotic disorder)</li> </ul> | <ul style="list-style-type: none"> <li>• Demonstrated need related to management of behavioral &amp; physical health</li> <li>• Demonstrated impairment in self-management of physical and behavioral health services</li> <li>• ANSA LON 3+*</li> <li>• Demonstrated health need which requires assistance and support in coordinating behavioral health &amp; physical health treatment</li> </ul> | <ul style="list-style-type: none"> <li>• Income below 300% of the federal poverty level (FPL)</li> </ul> <table border="1" data-bbox="1302 715 1854 948"> <thead> <tr> <th data-bbox="1302 715 1580 822">Family Size</th> <th data-bbox="1580 715 1854 822">Income Limit**</th> </tr> </thead> <tbody> <tr> <td data-bbox="1302 822 1580 886">Single</td> <td data-bbox="1580 822 1854 886">\$2,919</td> </tr> <tr> <td data-bbox="1302 886 1580 948">Married</td> <td data-bbox="1580 886 1854 948">\$3,993</td> </tr> </tbody> </table> | Family Size | Income Limit** | Single | \$2,919 | Married | \$3,993 |
| Family Size   | Income Limit**   |   |             |                |        |         |         |         |
| Single  | \$2,919  |   |             |                |        |         |         |         |
| Married   | \$3,993  |   |             |                |        |         |         |         |

\*Refers to a score on the Adult Needs and Strength Assessment (ANSA), a behavioral health screening tool

\*\*There are certain income disregards that may be applied to lower countable income. If there are children or other qualifying dependents in the individual's household, an individual's income may be higher than those listed in the table. A \$361 per qualifying individual deduction may be applied.





# Future Coverage for Institutionalized and Waiver Members

- Institutionalized and waiver spend down members able to keep coverage
  - If member income is at or below threshold:
    - No change or member action required
- If member income exceeds threshold:
  - Member must establish a Miller trust
    - Without Miller trust, member loses eligibility

|            | Monthly Income Limit |
|------------|----------------------|
| Individual | \$2,163              |

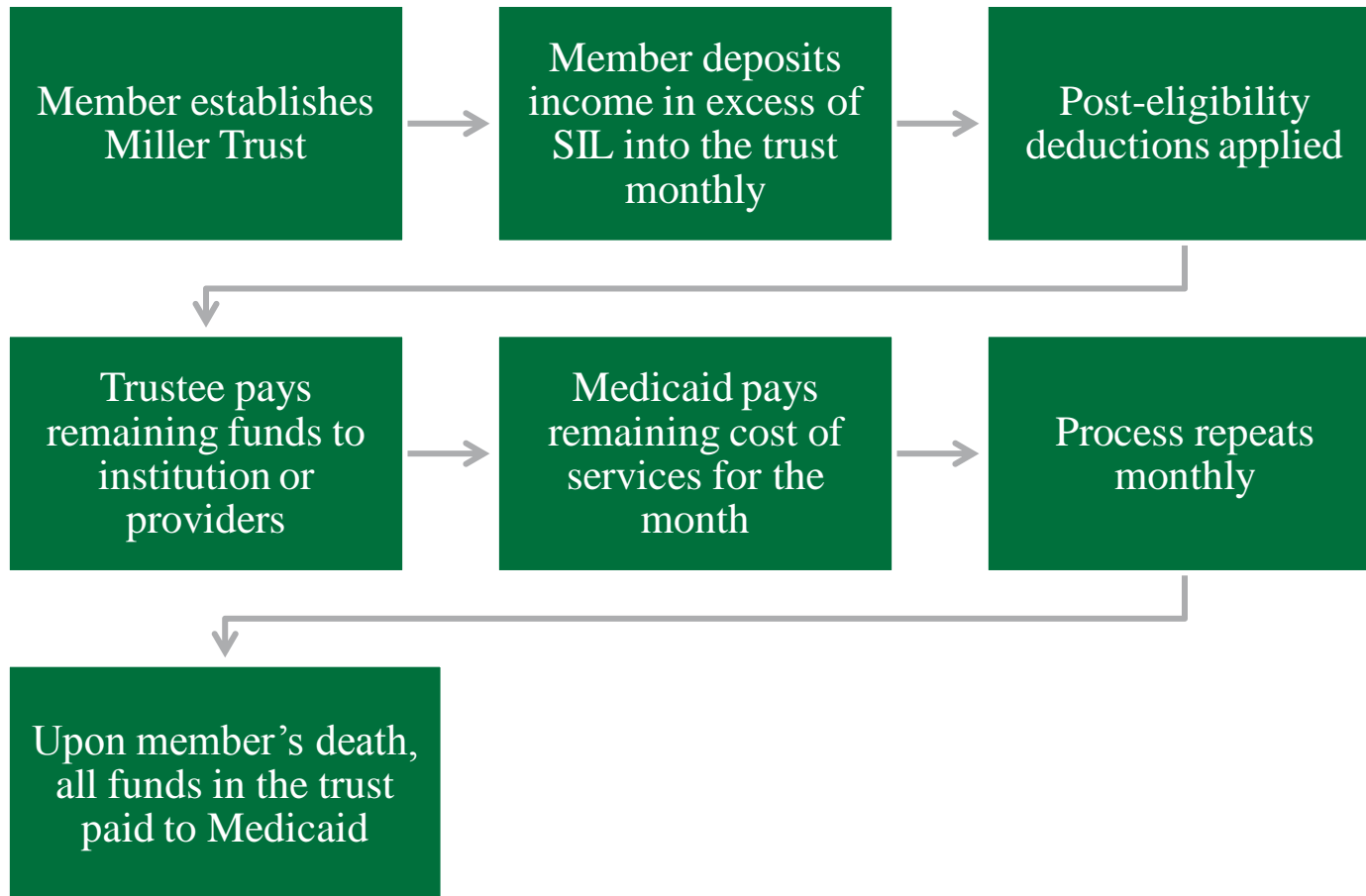
- Monthly income limit = 300% of the maximum Federal SSA Benefit Rate.
  - Also known as the SIL: Special Income Limit



# Miller Trust Background

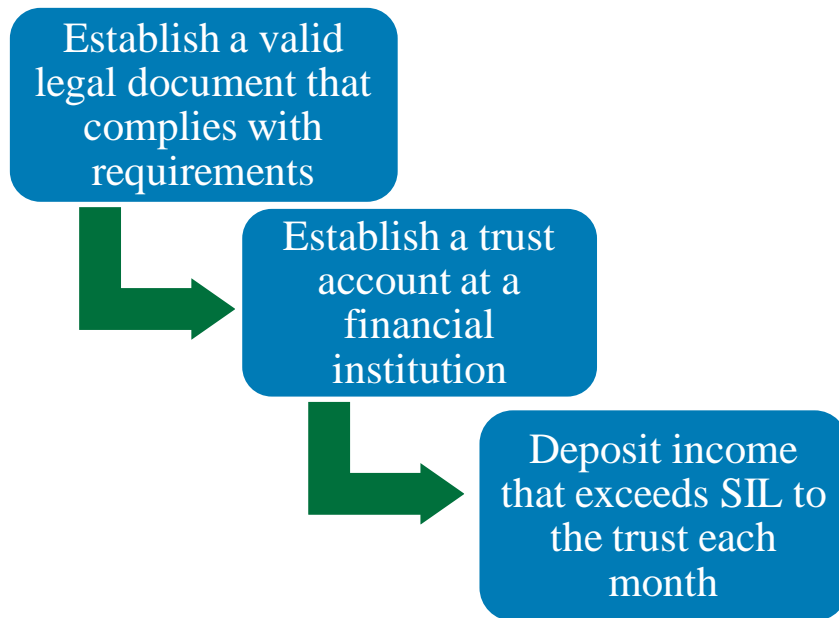
- A Miller Trust is a legal structure that allows income in excess of the eligibility limit for institutional and waiver services to be disregarded.

## How a Miller Trust Works





## How Does a Member Establish a Miller Trust?



- Resources being developed:
  - Miller trust instructions & template
  - Referral list for free or low-cost legal assistance:
    - Local Area Agencies on Aging
    - Local elder law attorneys
    - Legal Aid
    - Indiana Legal services
- 3,423 members over the SIL (December 2013)
  - 3,197 institutionalized members
  - 226 waiver members
  - Some may already have Miller trusts



# Transition Plan Summary

| Impacted Group                                       | Transition Plan   | Member Action Recommended                                 |
|--|---|---|
| SSI Recipients not enrolled in Medicaid              | State enrolls in full ABD Medicaid                        | None<br>Notice will be sent by State                      |
| Individuals ≤100% FPL not enrolled in full Medicaid* | State enrolls in full ABD Medicaid                        | None<br>Notice will be sent by State                      |
| Duals 100%-185% FPL*                                 | State enrolls in Medicare Savings Program                 | None<br>Notice will be sent by State                      |
| Duals >185% FPL                                      | Refer to State Health Insurance Assistance Program (SHIP) | Contact SHIP to learn about supplemental coverage options |
| Non-duals >100% FPL                                  | Refer to Marketplace                                      | Enroll in Marketplace coverage & affordability programs   |

\*Only those enrolled in spend down or a Medicare Savings Program will be automatically transitioned; new members will have to apply for coverage



# Transition Plan Summary, cont.

| Impacted Group   | Transition Plan   | Member Action Recommended  |
|--|---|--|
| Individuals with SMI >100% FPL                               | 1915(i) BPHC program for coverage of MRO services   | Apply through Community Mental Health Center <ul style="list-style-type: none"> <li>• Providers notified of changes and will assist</li> </ul> |
| Institutional and Waiver Beneficiaries <Special Income Limit | No changes in coverage  | None<br>Notice will be sent by State   |
| Institutional and Waiver Beneficiaries >Special Income Limit | Communication, outreach, & resources <ul style="list-style-type: none"> <li>• Establish Miller trust to maintain eligibility</li> </ul> | Establish Miller trust before June 1, 2014 to maintain eligibility   |



# Member & Provider Communications

## Member Notices

- General:
  - 1634 late February
- Specific (1915(i), early February; 1634, early April):
  - Recommended action (if any)
  - Instructions for reporting changes in circumstances
- Final (mid-May):
  - Notification of appeal rights
  - Notification of new status/disenrollment

## Web Resource Center

- <http://www.fssa.IN.gov> under “Resources”
  - Member Frequently Asked Questions (FAQ’s)
  - Eligibility screening guide
  - Instructions & template for establishing Miller trust

## Provider Bulletin and FAQ’s

- Issued mid-April

\*All dates are estimated.



## **Current Members & SSA Disability Determinations**

- Current members auto-transitioned without regard to status with SSA
- When due for an Medical Review Team (MRT) progress report:
  - State will require member to apply to SSA for disability determination
  - Current members may initiate SSA application process *before* next scheduled progress report

# Process Changes for Future Applicants

How the ABD Medicaid application process will change in Indiana post-transition

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graph LR; A[Program Changes & Improvements] --> B[Transition Plan]; B --> C[Application Process Changes];
```

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# Disability Medicaid Application Process Post-Transition

## Application to SSA for Disability Benefits

### Exceptions:

- Direct application to IN Medicaid without SSA determination if:
  - Applicant is a child
  - Applicant has a recognized religious objection to applying for federal benefits (e.g., Amish)

### SSI Eligible

- State auto-enrolls in Medicaid

### SSDI-Eligible

- Apply to Indiana Medicaid for verification of other eligibility factors
- Will not undergo MRT process

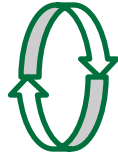
### SSA Denial (determined non-disabled)

- Generally Medicaid ineligible
  - State will not initiate MRT process for applicant except in two cases (to be discussed)



# Medicaid Applications without SSA Disability Determination

State will require SSA application for disability determination



State will initiate MRT process

MRT determination applies pending SSA decision

SSA application status checked through SDX file

If no SSA application filed within 45 days from Medicaid application date:

- Medicaid application denied

If SSA determination received during MRT process:

- State stops MRT
- State defers to SSA decision

If the two conflict:

- SSA overrides MRT



## Exceptions to SSA Denial

Applicant with an SSA denial may undergo MRT process in the following circumstances:

- Change or worsening of old condition since SSA denial OR
- A new condition, AND
  1. More than 12 months have passed since denial
    - State will require applicant to re-apply/appeal to SSA

**OR**

2. Fewer than 12 months have passed since denial **and** SSA has refused to consider new evidence



## Post-Transition Appeals

- Applicant should appeal to SSA if:
  - Applicant has an SSA disability denial
- Applicant should appeal to Indiana Medicaid if:
  - MRT determined applicant non-disabled
  - Application denied for reasons other than disability (i.e., excess income or resources)

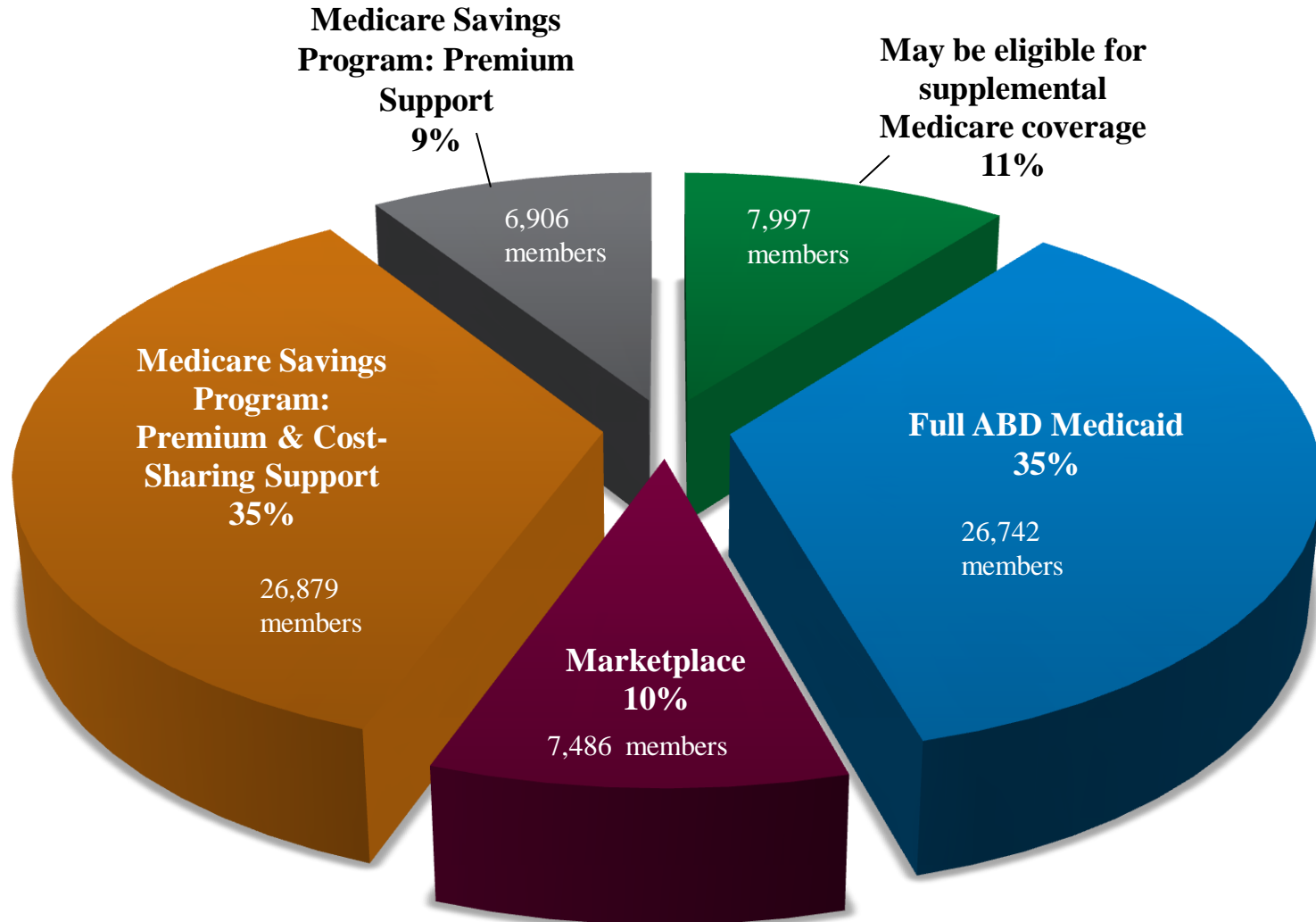
# Conclusion



# Impacts of 1634 Transition and Associated Changes

- More comprehensive coverage for spend down members
  - Full Medicaid for members up to 100% FPL
  - Premium & cost-sharing support for Medicare recipients < 150% FPL
  - Premium support for Medicare recipients > 150% FPL
- Simplified eligibility processes
- Ability to cover more low income Hoosiers:
  - 14,000 current SSI recipients not currently enrolled in Indiana Medicaid
  - Future SSI recipients
  - About 28,000 Medicare recipients not enrolled in spend down or the Medicare Savings program
- Efficient use of Hoosier taxpayer dollars
  - \$35.7 million savings in SFY 2015
  - Similar savings in future years

# Member Transition Summary



Total spend down members: 76,010 as of December 2013 .

\*Some will also be eligible for the BPHC program.



# Transition Timeline

January 30  
Stakeholder Meeting & 1634 Web Resource Center launch

Late February  
1634 Initial Member Notice

Early April  
Issue Provider Bulletin & FAQs

Early February  
1915 (i) Member Notice

Early April  
1634 2<sup>nd</sup> Member Notice

Mid-May  
Final Member Notice

June 1:  
Go Live

TECHNICAL IMPLEMENTATION & STAFF TRAINING

\*All dates are estimated.



## For More Information

- Visit the Web Resource Center:
  - <http://www.fssa.in.gov>
    - Under “Resources”
  - <http://www.indianamedicaid.com> on the “Members” and Providers” pages