

CHECK THESE OUT...



Medicaid Expansion 2014

Washington State
Health Care Authority
<http://www.hca.wa.gov/hcr/me>

Your Coverage & Pricing Options

Check available private
insurance plans, public
programs and community
services
<http://www.healthcare.gov/index.html>

Affordable Care Act

Official federal website on the
ACA
<http://www.medicare.gov/AffordableCareAct/Affordable-Care-Act.html>

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TOPIC WATCH

Each month we will feature a different topic; expanding the knowledge, resources, and peer networking in targeted areas. These target areas will include workforce development, transition, supported education, leadership, organizational development, sustainability, and others as they are

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Medicaid Expansion

As has been well-documented, the American Health Care system is in a period of major change. The vehicle for that change is the Patient Protection and Affordable Care Act, or The Affordable Care Act (ACA), sometimes known as “Obamacare.”

When the Supreme Court found the ACA to be constitutional, they allowed many of the central parts of the law to go into effect. Beginning in 2014, most Americans will be required to have health insurance, and they can purchase that coverage through insurance exchanges that will either be state-based or federally operated. The cost of that insurance will be subsidized by tax credits depending on income.

For those with incomes that are less than 133% of the federal poverty level (FPL), the ACA allows them to receive Medicaid. Medicaid is the largest health insurance program in the United States. The purpose of the expansion of Medicaid under the ACA is to reduce the number of uninsured in the U.S., an estimated 46 million, by insuring about 21 million new people.

However, when the Supreme Court made its ruling, it also determined that states could decide for themselves whether or not to extend Medicaid to those that would be newly eligible under the ACA. States are now in the process of deciding whether or not to extend Medicaid eligibility, as the ACA allows them to, or to maintain their current eligibility standards.

Individuals with behavioral health needs and the organizations they make up include a large number of people that are single adults with incomes below 133% of the FPL. Should the states they live in to extend eligibility, they would be able to qualify for Medicaid.

How Does Medicaid Eligibility Work?

The Affordable Care Act fills gaps in health care coverage for the poorest Americans by creating a minimum Medicaid income eligibility level across the country. Currently, states are allowed to set the eligibility criteria within certain parameters. Any changes have to be approved through the granting of state waivers. Beginning in January 2014, individuals under 65 years of age with income below 133 percent of the federal poverty level (FPL) will be eligible for Medicaid. Low-income adults without children will be guaranteed coverage through Medicaid in every state without need for a waiver, and parents of children will be eligible at a uniform income level across all states. It is expected that Medicaid eligibility and enrollment will be much simpler as well.

In 2014, a standard 5 percent income disregard will apply to most individuals, effectively increasing the eligibility level to 138 percent of the poverty level. States currently have considerable flexibility to decide types and amounts of income they disregard—that is, income they do not count. Beginning January 1, 2014, the new law replaces these “traditional” income disregards.

Basic components of this expansion include:

- Newly Eligible Individuals age 19 up to 65 who:
 - Have income below 138% FPL;
 - Meet citizenship requirements;
 - Are not incarcerated; and
 - Are not entitled to Medicare.
- Changes to income and deductions for existing Medicaid groups including:
 - Children;
 - Pregnant Women; and
 - Families (Parents/Caretaker Relatives).
- Modified Adjusted Gross Income (MAGI) methodology used for income calculation such as:
 - Countable income and
 - Income deductions.
- Additional methods for determining income and deductions that consider:
 - Household composition that mirrors federal income tax filing rules;
 - No asset/resource limits; and
 - 12 month certification periods.
- Simplified application and renewal process for:
 - Medicaid;
 - Children's Health Insurance Program (CHIP); and
 - Health Benefit Exchange.



There are several specific groups who will not have any changes in eligibility for Medicaid, **including aged, blind or disabled individuals, children in foster care, and SSI cash recipients.**

Significant questions regarding the cost estimates of expansion, at the state and federal level, remain under debate. While the ACA expands Medicaid by changing eligibility levels for targeted enrollees groups, it does not alter the financing structure or overall policy platform that is the foundation of Medicaid. Some states will come out as financial winners under expansion while others may not.

Until 2014, states may elect to “phase-in” coverage for new eligibility groups at any time, effective April 1, 2010. This means that states did not have to wait until January 2014 to cover adults they have previously had no authority to cover under a state plan, including adults under age 65 who are neither disabled, pregnant, nor living with dependent children and who do not have other special circumstances. A state could decide to set a new group under the expansion option. For example, the new group could include low-income adults, including parents and individuals with disabilities who do not receive SSI. States are not allowed to cover higher income people within this new group before covering lower income people within the group. There is no asset test for this new eligibility group.

There have been multiple statements regarding the impact of Medicaid Expansion on individuals utilizing mental health services. Some of these may be true; many may not. It is critical that you not allow others to interpret the impact on services, potential loss of dollars for necessary services, or the real burden upon your state to rumors, biased comments, and unreliable sources. The key to understanding the impact of Medicaid Expansion on consumers of mental health services (both positive and negative aspects) and their services requires several considerations.

- Look for information directly from the Center for Medicaid Services or trustworthy resources regarding such information.
- Compare information from several sources and track down and question variations.
- Keep on top of information as it emerges.
- Call your provider or programs to gather information regarding what they know about the expansion and its impact.
- Work collaboratively to eliminate rumors and share factual information.
- Do not utilize newspapers for a base of information.



More Resources

Health Reform and Medicaid Expansion

(Reginald M. Hislop, III , Grubb & Ellis/Apex Healthcare <http://www.healthcarereformmagazine.com/article-detail.php/health-reform-and-medicaid-expansion.html?url=health-reform-and-medicaid-expansion>)

The Cost and Coverage Implications of the ACA Medicaid Expansion: National and State-by-State Analysis

The Henry J. Kaiser Foundation

<http://www.kff.org/medicaid/8384.cfm>

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