

Medicaid and CHIP Overview for Assisters

Updated 2018

This fact sheetⁱ applies if you:

- Are a Navigator or certified application counselor (collectively, an assister) in a state with a Federally-facilitated Marketplace or State Partnership Marketplace.
- Are assisting low-income individuals, families, or children who are uninsured and are seeking information about health coverage options.

Medicaid and CHIP: Overview

Medicaid and the Children's Health Insurance Program (CHIP) provide coverage for over 74.4 million low-income individuals, families and children, pregnant women, the elderly, and people with disabilities.

- Medicaid is a state-administered health coverage program.
- CHIP is a state-administered health coverage program that provides coverage for low-income children and, in some states, low-income pregnant women who earn too much to qualify for Medicaid and too little to afford private health insurance through the Marketplace.

Medicaid and CHIP eligibility requirements and program benefits vary by state.

Basics of Medicaid and CHIP Eligibility

Medicaid eligibility depends on several factors including a consumer's income level, the number of people in their household, their citizenship or immigration status, and the state in which they live. Some consumers may be eligible if they are disabled, pregnant, or have certain medical needs. In all states, Medicaid and CHIP provide health coverage for many low-income families, children, pregnant women, the elderly, and people with disabilities. In some states, Medicaid provides coverage for most adults below a certain income level. In other states, individuals may still qualify for Medicaid if they are medically needy, even if their income exceeds the usual qualifying levels.

Modified Adjusted Gross Income (MAGI) is used to determine most consumers' financial eligibility for Medicaid and CHIP, including children, pregnant women, parents, and single adults. MAGI is the consumer's adjusted gross income plus any non-taxable Social Security,

tax-exempt interest, or untaxed foreign income they might have. For example, earned wages and unemployment benefits are counted in the MAGI calculation, while child support and student loans are not. Household size and composition are important to calculate MAGI and determine Medicaid and CHIP eligibility. The basic equation for calculating household size, or the number of individuals in a family, is: Tax Filers + Tax Dependents = Household Size.

Medicaid Expansion

Under the Patient Protection and Affordable Care Act (PPACA), states have the opportunity to expand Medicaid coverage to low-income adults under the age of 65 with incomes of up to 138 percent of the federal poverty level (FPL). There is no deadline for states to decide if they will expand Medicaid. Exhibit 1 provides information about who is eligible for Medicaid depending on whether or not a state has expanded Medicaid. Consumers may still qualify for Medicaid coverage depending on their specific circumstances and should apply through their state or the Marketplace for an eligibility determination.

Number of people in the household.	Income below 138% FPL: If your income is below 138% FPL and your state <u>has</u> expanded Medicaid coverage, you may qualify for Medicaid based only on your income.	Income below 100% FPL: If your income falls below 100% FPL and your state hasn't expanded Medicaid coverage, you may not qualify for either income-based Medicaid or savings on a Marketplace health insurance plan. You may still qualify for Medicaid under your state's current rules. ¹
1	\$16,753.20	\$12,140
2	\$22,714.80	\$16,460
3	\$28,676.40	\$20,780
4	\$34,638.00	\$25,100
5	\$40,599.60	\$29,420
6	\$46,561.20	\$33,740

For each additional person, add \$4,320.

Exhibit 1: Medicaid Eligibility Based on Medicaid Expansion, Income, and Household Size

Medicaid and CHIP Benefits

States establish and administer their own Medicaid and CHIP programs and determine the type, amount, duration, and scope of services within broad federal guidelines. Medicaid benefits for children must include the full range of medically necessary services. Medicaid benefits for adults may vary but generally must be comprehensive in scope.

¹ Poverty guidelines and income amounts are different for Alaska and Hawaii. Please refer to the Office of the Assistant Secretary for Planning and Evaluation (ASPE) for more information: <https://aspe.hhs.gov/poverty-guidelines>.

In CHIP, states have flexibility to design their benefit package, so benefits vary by state. All states offer comprehensive benefits to children.

Out-of-Pocket Costs for Medicaid and CHIP Coverage

States can impose copayments, coinsurance, deductibles, and other similar charges on most Medicaid-covered benefits. Out-of-pocket amounts vary depending on a Medicaid beneficiary's income. All out-of-pocket charges are based on the specific state's defined payment amount for that service. Certain groups, including children, terminally ill individuals, and individuals residing in an institution are exempt from cost sharing. Refer to your state agency for details about Medicaid out-of-pocket costs. Exhibit 2 presents the maximum allowable out-of-pocket costs that beneficiaries at different income levels can expect to pay for certain Medicaid-covered services (unless the state is operating with a waiver of copayment limitations granted by the Centers for Medicare & Medicaid Services).

In CHIP, states have more flexibility around cost sharing for higher income children, however cost sharing can never exceed 5% of a family's income.

Services and Supplies	<100% FPL	101-150% FPL	>150% FPL
Institutional Care (e.g., inpatient hospital, rehab)	\$82.25	10% of cost state pays	20% of cost state pays
Non-Institutional Care (e.g., physician visits, physical therapy)	\$4.40	10% of cost state pays	20% of cost state pays
Non-emergency use of the ER	\$8.80	\$8.80	No limit *within 5% aggregate limit
Preferred Drugs	\$4.40	\$4.40	\$4.40
Non-preferred Drugs	\$8.40	\$8.80	20% of cost state pays

Exhibit 2: Maximum Allowable Copayments Determined by Eligible Population's Household Income

Applying for Medicaid and CHIP

You can help consumers find out whether they are eligible for Medicaid in two main ways:

1. **Through their state's website:** Help consumers select the specific state in which they are applying for coverage by using the menu at the bottom of this webpage: www.HealthCare.gov/medicaid-chip/eligibility/. The menu will direct them to their state's website, and you can help them apply to find out if they qualify for Medicaid. If they qualify, Medicaid coverage can begin immediately and may be effective retroactively. You can also help them apply by phone, mail, in person, or through other commonly available means.

- 2. Fill out a Marketplace application:** Help consumers complete a Marketplace application to learn about the programs for which they may be eligible. Consumers will include their household size and annual income. After submitting a completed application, the Marketplace will determine eligibility results for both Marketplace coverage with financial assistance, and Medicaid or CHIP coverage. If anyone in the household appears to be eligible for Medicaid or CHIP, the Marketplace will send the consumer's information to the state Medicaid/CHIP agency. The state Medicaid/CHIP agency will notify eligible consumers about next steps to enroll in Medicaid or CHIP coverage. It is important to note that if consumers are determined eligible for Medicaid or CHIP, they are not eligible to receive advance payments of the premium tax credit (APTC) or income-based cost-sharing reductions (CSRs) through the Marketplace, even if they choose to decline Medicaid or CHIP coverage.

Medicaid in Non-Expansion States and the Marketplace

In states that have not expanded Medicaid, consumers with low or no income can still obtain health coverage depending on their level of income.

- Most consumers who earn more than 100 percent of the FPL are eligible to purchase a qualified health plan (QHP) through the Marketplace and may be eligible for help lowering the costs of coverage.
- Consumers who earn less than 100 percent of the FPL are generally not eligible for help lowering the costs of a QHP purchased through the Marketplace. They may be eligible for Medicaid, even without the expansion, based on their state's existing rules. If they are not eligible, they may not qualify for either of these coverage options under the Patient Protection and Affordable Care Act. Refer to the Medicaid Coverage Gap section below for more information.
- Lawfully present immigrants who have an estimated 2018 household income less than 100 percent of the FPL and are not eligible for Medicaid due to their immigration status may be eligible for APTC and lower out-of-pocket costs for QHPs through the Marketplace if they meet all other eligibility requirements. Find more information about lawfully present immigrants' eligibility for Medicaid and other coverage options at www.HealthCare.gov/immigrants/.

Medicaid/CHIP and Minimum Essential Coverage

Most Medicaid and CHIP coverage qualifies as minimum essential coverage (MEC). However, certain types of limited Medicaid coverage are not recognized as MEC, including coverage that only pays for family planning, emergency medicine, tuberculosis services, or outpatient hospital services. Consumers with limited Medicaid coverage may qualify for a hardship exemption from the requirement to maintain MEC. Otherwise, they may owe a fee when they file federal income

taxes.² Consumers with limited Medicaid coverage should consider applying for private health insurance through the Marketplace since certain health care services aren't covered by limited Medicaid. When helping consumers with limited Medicaid coverage fill out a Marketplace application, make sure consumers do not check the box indicating they have Medicaid. Instead, if otherwise accurate, consumers should check "None of the above."

Medicaid Coverage Gap

In states that have not expanded Medicaid, many adults with incomes below 100 percent of the FPL fall into what is known as a coverage gap. Their incomes are too high to get Medicaid under their state's current rules, but too low to qualify for help paying for coverage through the Marketplace. Some populations that may fall into the coverage gap include jobless parents, working parents, and non-disabled, non-elderly childless adults. You should discuss the following options with consumers who fall into this Medicaid gap:

- Obtain health care services at federally-qualified community health centers. These centers provide services on a sliding scale based on the individual's income. Use the following tool to find a community health center near the consumer: www.HealthCare.gov/lower-costs/low-cost-community-care.
- Apply for a hardship exemption from the individual shared responsibility payment. (Refer to the Hardship Exemptions from the Individual Shared Responsibility Payment section for more information.)
- Purchase catastrophic coverage, which is available for people under 30 years-old and people granted a hardship exemption. Catastrophic plans usually have lower monthly premiums than comprehensive plans, but only cover consumers for certain preventive services and worst-case scenarios, like serious accidents or illnesses. For more information, please see: www.HealthCare.gov/choose-a-plan/catastrophic-plans/.
- See what pharmaceutical assistance programs may be available. Some pharmaceutical companies offer assistance programs for the drugs they manufacture. You can help consumers find out if assistance is available for the medications they take by visiting: <https://www.medicare.gov/pharmaceutical-assistance-program/>.

Hardship Exemptions from the Individual Shared Responsibility Payment

Consumers who are not eligible for Medicaid because their state did not expand Medicaid may be eligible for an exemption from the individual shared responsibility payment. If they receive an exemption, consumers will not be responsible for paying a fee for not having MEC. Consumers may be eligible for a hardship exemption under the following circumstances:

² The Tax Cuts and Jobs Act of 2017 reduces the individual shared responsibility (or individual mandate) penalty, owed by consumers who do not maintain MEC or have an exemption, to zero, effective beginning in 2019.

- They live in a state that has not expanded Medicaid.
- They would qualify for Medicaid if the state did expand Medicaid.

For more information about applying for a hardship exemption, as well as other circumstances that would qualify consumers for an exemption, visit www.HealthCare.gov/exemptions.

Medicaid/CHIP Eligibility and Immigration Status

Immigrants who are “qualified non-citizens” are generally eligible for Medicaid and CHIP coverage if they meet their state’s eligibility requirements. Consumers with the following immigration statuses may qualify for full Medicaid or CHIP coverage:

- Lawful Permanent Residents (LPR);
- Veterans or active duty military, and their spouses or unmarried dependents who also have a “qualified non-citizen” status;
- Refugees;
- Asylees;
- Cuban/Haitian Entrants;
- Granted Withholding of Deportation or Withholding of Removal;
- Trafficking Survivors and their spouses, children, siblings, or parents;
- Member of a federally-recognized Indian tribe or American Indian born in Canada;
- Amerasian Immigrants; and
- Iraqi and Afghani Special Immigrants.

To be eligible for Medicaid or CHIP coverage, most LPRs or green card holders have a five-year waiting period. This means they must wait five years after receiving “qualified” immigration status before they are eligible for Medicaid or CHIP. Some qualified non-citizens, including refugees and asylees, are exempt from the five-year waiting period. Immigration statuses that must meet a 5-year waiting period include:

- LPR/Green Card holder;
- Paroled into the U.S. for one year or more;
- Battered spouse, child, or parent who has a pending or approved petition with DHS;
- Application for Victim of Trafficking Visa; and
- Conditional Entrant (granted before 1980).

States have the option to remove the five-year waiting period to cover certain lawfully-residing children and pregnant women who are otherwise eligible for Medicaid or CHIP. Medicaid provides payment for emergency services for individuals who have an emergency medical

condition and are otherwise eligible for Medicaid in the state (i.e. must meet Medicaid income and state residency standards), but do not meet the citizenship and immigration status requirements.

If consumers with income under 100% FPL are denied eligibility for Medicaid or CHIP because of their immigration status, they may attest to this denial on the Marketplace application, which will help the Marketplace determine whether they are eligible for APTC and CSRs to help with the costs of Marketplace coverage and covered services. By answering this question “Were any of these people [individuals applying for coverage] found not eligible to get Medicaid and the Children’s Health Insurance Program (CHIP), since October 1, 2013?” as applicable, consumers will be able enroll in Marketplace coverage with financial assistance, if they are otherwise eligible.

Tips for Enrolling Consumers in Medicaid or CHIP

Consumers can enroll in Medicaid or CHIP at any time during the year using the streamlined Marketplace application available at www.HealthCare.gov. The following tips will help ensure that consumers receive accurate eligibility determinations and are able to enroll in Medicaid, CHIP, or Marketplace coverage for which they are eligible.

- **Mixed Eligibility Households:** Different members of a household may be eligible for different forms of health coverage (e.g., an applicant may be eligible for a financial assistance through the Marketplace, the applicant’s child may be eligible for CHIP, and the applicant’s spouse may be eligible for Medicaid due to disability). You should help all household members who are seeking coverage apply for and enroll in coverage.
- **Income Verification:** Make sure consumers provide accurate income information and let them know that trusted data sources will be checked to verify their application data. Depending on their state’s rules, consumers will receive an eligibility determination or assessment notice from the Marketplace. The notice may ask consumers to verify their income and submit supporting documents. If the Marketplace cannot verify a consumer’s information and the applicant appears potentially eligible for APTC/CSRs, the Marketplace will generate a data matching issue and the consumer will have 90 days to resolve the inconsistency. If the applicant appears potentially eligible for Medicaid/CHIP, their application may be pended until they provide documentation to their state Medicaid/CHIP agency to verify their income. Their state Medicaid/CHIP agency will let them know what information to provide.

- **Medically Needy Eligibility with Spend-down:** Many states have “medically needy” Medicaid programs. For consumers whose income exceeds the medically needy income standard, some consumers with significant health needs may reduce their countable income using their incurred medical and/or remedial care expenses to qualify for coverage. This process is known as “spending down” excess income, or just as “spend-down.” The consumer is then eligible for Medicaid as medically needy. If the consumer enrolls, their state Medicaid program pays for services they incurred after they became eligible.
- **Medically Needy Medicaid and QHP Eligibility:** A consumer does not have to accept medically needy Medicaid coverage and can instead elect to enroll in a QHP through the Marketplace with financial assistance, if otherwise eligible. Consumers are not considered eligible for this type of Medicaid until they have met their spend-down amount requirement, and they are not considered covered by MEC until Medicaid begins picking up the cost of their care. Consumers in this situation should not attest that they have Medicaid when the Marketplace application asks that question.
- **Medically Needy Medicaid and Special Enrollment Periods (SEPs):** Some consumers who have medically needy coverage that has been determined to consist of a comprehensive state plan benefit and who do not have a spend-down requirement, may qualify for an SEP that consumers may use to enroll in a QHP through the Marketplace. Consumers in this situation should answer “yes” to the Marketplace application question that asks if they recently lost health coverage, and consumers should not attest to currently having Medicaid. Some states have elected to supply a less robust benefit to the medically needy and this coverage is not considered MEC. These individuals will not qualify for an SEP for loss of Medicaid coverage. Individuals with spend-down coverage will also not qualify for an SEP.

Medicaid/CHIP Enrollees and Special Enrollment Periods

Consumers who have been determined ineligible for or have lost access to Medicaid or CHIP and wish to enroll in Marketplace coverage outside of the annual open enrollment period may be eligible for an SEP. An SEP may be available in the following circumstances:

- The consumer applied for Medicaid or CHIP coverage during the Marketplace open enrollment period, or during a special enrollment period, and the state Medicaid or CHIP agency determined the consumer (or anyone in the household) ineligible after the open enrollment period or special enrollment period has ended.
- The consumer moves to a different state or experiences a change in household income and was previously both of these:
 - Ineligible for Medicaid coverage because they lived in a state that hasn’t expanded Medicaid.

- Ineligible for help paying for coverage because their household income was below 100% of the FPL.
- The consumer experiences a loss of Medicaid or CHIP coverage (including pregnancy-related coverage and medically needy coverage). This is considered a loss of MEC.

Consumers who believe they are eligible for an SEP should visit [HealthCare.gov](https://www.healthcare.gov) and answer a few questions to find out if they qualify and to enroll in or change plans. Consumers may also call the Marketplace Call Center at 1-800-318-2596 to enroll by phone and verify their SEP eligibility (TTY users can call 1-855-889-4325). Through an SEP, consumers have 60 days from the start of their SEP to select a plan. Note, consumers enrolling in Marketplace coverage for the first time may need to submit documents to prove they qualify for an SEP.

Find more information about SEPs at <https://marketplace.cms.gov/technical-assistance-resources/special-enrollment-periods-.html>.

Scenario

Medicaid Eligibility and Coverage Options in a Non-Expansion State

Michael is a 29 year-old U.S. citizen, and makes \$11,000 per year. He lives in a state that has not expanded Medicaid. He is afraid that a QHP through the Marketplace will be too expensive, and he wants to better understand his options. When assisting Michael to find health coverage options, consider the following:

- You should help him submit an application through the Marketplace to determine his eligibility. Household size, disability status, and other factors could also make a difference in his eligibility for Medicaid coverage, even if his state has not expanded Medicaid to low-income, non-elderly adults.
- Michael is not eligible for Medicaid under the new adult group (sometimes called the Medicaid expansion group) because his state has not expanded Medicaid. If his state had expanded Medicaid, he would be eligible under the new adult group. Because Michael makes less than 100 percent of the FPL (\$12,140 per year), and is a U.S. citizen, he does not qualify for financial assistance available through the Marketplace.
- Michael is eligible for a hardship exemption because he is ineligible for Medicaid based on his state's decision not to expand. This means he does not have to pay a penalty for remaining uninsured. This is because Michael would have been eligible for Medicaid if his state expanded coverage to adults with incomes up to 138 percent of the FPL.
- Michael can receive health services at a federally-qualified community health center or the emergency room, if he has an emergency medical condition.
- Michael can purchase catastrophic coverage, since he is under 30 years old.

Additional Resources

For more information visit:

- Medicaid.gov
Available at: <https://www.medicaid.gov>
- InsureKidsNow.gov
Available at: <https://insurekidsnow.gov>
- HealthCare.gov: Getting Medicaid & CHIP Coverage
Available at: <https://www.healthcare.gov/medicaid-chip/getting-medicaid-chip/>

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