

Medicaid

Chapter

3

Medicaid is a joint federal and state program that helps pay health care costs for people with low incomes and limited assets. Medicaid covers many products and services, including long term care. People who have Medicare coverage may also qualify for Medicaid. When they do, Medicaid may pay for the Medicare premiums, deductibles, co-payments, and health care not covered by Medicare.

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3-1 **Medicaid Eligibility**

In Oregon the Medicaid program is known as The Oregon Health Plan.

To qualify for The Oregon Health Plan for long term care, you must meet all three of the following criteria:

1. You must need help with a certain number of **Activities of Daily Living**;
2. Your **assets** must not exceed \$2,000 for one person and \$3,000 for a couple; and
3. Your **income** must be equal to or less than 300% of SSI for an individual (in 2012 300% SSI equaled \$2,094 per month).

Activities of Daily Living (ADL) measure a person's daily functional ability. **Basic ADLs** include: bathing, feeding, going to the restroom, dressing, grooming, and taking medications. **Mobility ADLs** include being able to get out of the house on your own, to travel, and being able to walk and to get into and out of a chair without assistance. **Instrumental ADLs** include cooking, shopping, housework, and transportation. Each person is placed in a service priority level 1–17 which helps determine Medicaid eligibility.

Assets include cash, bank accounts, IRAs, investments, real property (excluding up to \$500,000 equity in your residence), additional vehicles, the cash surrender value of life insurance policies, and other assets that can be utilized for your care. Assets that are exempt include your home (if you or your spouse lives there and only up to the \$500,000 in equity), one vehicle, medical equipment, household items, and an irrevocable prepaid funeral or burial plan (up to \$1,500 in value).

Income must be less than three times the SSI standard (\$2,094 for one person in 2012) to qualify for Medicaid assistance.

If you are facing long term care bills and think you have too many assets to qualify for Medicaid, do not give your assets away. If you or your spouse gives

assets away, you will not be eligible for Medicaid for up to five years after you otherwise would be eligible. The amount of time you will be ineligible is based on the value of what was given away. Certain transfers are permitted.

Speak with an elder law attorney or an attorney who has experience in this area. You may be able to keep some of the assets, or use them in a way that will benefit you and your spouse. A person whose income is over the Medicaid limit may still be able to qualify for Medicaid by creating a **Medicaid Income Cap Trust**. This is a special trust allowable under Oregon law.

Spousal Impoverishment

Medicaid allows the spouse who does not need care to keep a share of the couple's income and assets. The well spouse can keep their own income. They may also be able to retain a portion of the Medicaid recipient's income in the amount that will bring the well spouse's income up to 150% of the Federal Poverty Level (\$1,839 per month in 2012). The well spouse can also keep the greater of \$21,912 or one-half of the total countable assets, up to \$109,560.

Example 1: Their assets total \$200,000; the well spouse can keep up to \$100,000.

Example 2: Their assets total \$20,000; the well spouse can keep all \$20,000.

Example 3: Their assets total \$300,000; the well spouse can keep \$109,560 because they reached the maximum allowable amount of \$219,120.

If these amounts are not sufficient to cover the well spouse's expenses, an attorney can explain the options that are available to increase the amount of assets, income, or both.

3-2 How to Apply

You can apply for Medicaid through a local Area Agency on Aging office. *(See Chapter 14, Resources, for locations and telephone numbers.)*

The eligibility worker at these locations can help you complete the application but is not able to advise you on what steps you (or your spouse) can take to avoid having the well spouse become impoverished. An application is also available on the Internet at <https://apps.state.or.us/mbs/landing.jspx>.



See Chapter 14, Resources, for a list of AAA locations and telephone numbers.



Medical application:

<https://apps.state.or.us/mbs/landing.jspx>

3-3 Services Covered

Medicaid covers a broad range of services including hospital, physician, medical supplies, and long term care. Long term care must be provided in an adult care home, assisted living facility, or skilled nursing facility that has a current contract with Medicaid. Medicaid does not cover retirement or independent communities. Medicare and other insurance is the first payor on items they cover; Medicaid is secondary.

3-4 Payment for Services

Medicaid pays the health care provider or managed care plan directly. There are no claim forms to complete. If you have Medicaid, you should tell the doctor or other health care provider before you receive treatment or other items or services. You may need to get a referral from your primary physician or prior authorization from your managed care plan.

Health care providers are not allowed to charge you additional amounts for services covered by Medicaid. People who are not eligible for SSI and who are not receiving long term care may be eligible for coverage under the Oregon Health Plan by paying monthly premiums and modest co-payments.

The availability of this program changes with the State of Oregon's health care budget.

People who are receiving long term care services will have to pay some or most of their income toward the cost of their care. The amount that each person pays depends on the setting in which the care is being provided, whether the person is single or married, and a number of other factors.

3-5 Estate Recovery

The state of Oregon will seek reimbursement from a Medicaid recipient for costs spent on his or her behalf. There are limits on what the state can do and when it can do it. For example, the state cannot collect while the Medicaid recipient is alive, has a surviving spouse, or a minor or disabled child living in the family home. After the Medicaid recipient's spouse passes away, the state can make a claim against their estate to collect whatever it could have collected from the Medicaid recipient's estate. Oregon does not place a lien on the person's home or other real property. If you have questions about how estate recovery will affect your property, or if you have received a Medicaid claim from the state, contact an attorney for advice.

3-6 Medicaid Denials & Appeals

You will receive a written notice from the Area Agency on Aging office if your application for Medicaid assistance is denied or if your current benefits are being reduced or terminated. The notice will include a reason for the action, which administrative rules are involved, and explain how to request a hearing.

The hearings are held by administrative law judges who work for the state. The hearing may be in person, at the local office, or by telephone. You may want to have an attorney represent you at the hearing and may be able to get representation through a legal aid office near you. (*See Chapter 14, Resources, for a list of locations and telephone numbers.*)



See Chapter 14, Resources, for a list of legal aid office locations and telephone numbers.

3-7 Managed Care Issues

Each HMO or managed care organization that serves Medicaid recipients has an Exceptional Needs Care Coordinator (ENCC). The role of the ENCC is to assist people who are having difficulty obtaining the care they need through the managed care system. If you are having problems, ask your primary physician to help. If your primary physician is the problem, ask to change to another primary physician or contact the ENCC. If the problems continue, you may want to change to a different HMO. You may also be able to obtain information and advice from a legal aid office. *(See Chapter 14, Resources, for a list of locations and telephone numbers.)*



See Chapter 14, Resources, for a list of legal aid office locations and telephone numbers.