

Legal Assistance of Western New York, Inc. ®

What is Medicaid?

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Medicaid is a state and federally funded program that provides Health Insurance to low income individuals in New York State.

There are TWO types of Medicaid. They are called MAGI and Non-MAGI.

MAGI stands for the Modified Adjusted Gross Income category. Non-MAGI just means that someone doesn't qualify for MAGI Medicaid. We'll talk about the differences more below.

You may have a choice between MAGI or Non-MAGI Medicaid.

- If you are certified as being disabled and you are under the age of 65 - you may choose MAGI or Non-MAGI Medicaid.
 - This is true unless you are getting coverage through Medicare. Once you receive coverage through Medicare, you cannot be covered by MAGI Medicaid. However, there is an exception if you live with and care for a child or other relative under the age of 18, or the age of 19 if they are a student.
- Parent/caretaker relatives who are disabled or 65 or older may choose either MAGI or Non-MAGI. This is true *even if they receive Medicare*.
- Disabled children may choose MAGI or Non-MAGI, *unless they are in a waiver program*.

Let's Talk More About MAGI Medicaid:

MAGI is short for Modified Adjusted Gross Income. Basically, this means federal income tax rules have been used to figure out that they are eligible.

Who can get Medicaid under the MAGI program?

- Pregnant women.

- Children under 19.
- Parents/Caretaker relatives (people who live with their own child, grandchild or another relative or step-relative, under age 18 or under 19 if a full time student).
- Childless adults ages 19-64, including disabled individuals who are NOT on Medicare.
- Those who are on a family planning benefit program.

Are there income limits for MAGI Medicaid?

Yes. The limit is going to depend on some information about you. Below is a chart showing what the income limit is depending on who you are.

What are the income limits for the MAGI Program?

| Category | Federal Poverty Level Limit- MAGI Income |
|---|---|
| Pregnant Women | 223% FPL |
| Infants under age 1 | 223% FPL |
| Children age 1-18 | 154% FPL |
| 19 and 20-year olds living with parents | 155% FPL |
| Family Planning Benefit Program | 223% FPL |
| <26 who were in foster care when age 18 | NO INCOME LIMIT |
| All other MAGI people- under age 65 | 138% FPL |

What type of income counts for MAGI Medicaid eligibility?

MAGI Medicaid will count your gross income to figure out if you are eligible. The following is a list of gross income sources that they will count and some other types of income they will count:

- Wages.
- Taxable interest.
- Dividends.
- Unemployment Benefits.
- Pensions
- IRA distributions.
- Alimony.
- Income from self-employment.
- State income tax refunds.
- Rental income.
- Social Security Benefits (this is true even if your benefits are not taxable).

What type of income doesn't count?

There are a few types of income that do not count:

- Worker's Compensation.
- Veterans Administration benefits.
- Child Support.
- Certain scholarship income
- American Indian income.
- Gift or inheritance money.

Are there deductions from my income like for taxes?

Yes! Deductions from the Gross Income include:

- Alimony paid.
- Certain moving expenses.
- Student loan interest.
- Self-employed health insurance contributions.
- Self-employment tax.
- IRA deductions.
- Money contributed to a flex spending plan.

Whose income is counted?

Generally, income is counted from everyone in the Medicaid tax “household.” So if you file taxes together you are considered a household for Medicaid purposes.

However, there are exceptions for children claimed as dependents by parents. If a child has enough income to require that child to file a tax return then the child’s income is counted in the household. If the child is NOT required to file a tax return then the child’s income is NOT counted in the household. This is true even if the child chooses to file a tax return.

Is there an asset test for MAGI Medicaid?

No. There are NO Asset limits for MAGI Medicaid.

What types of benefits does MAGI Medicaid provide?

Recipients in the MAGI group are eligible for “benchmark benefits.” This means that it covers everything that Medicaid otherwise covers except long-term care in an institution. An example of a long-term care institution is a nursing home.

What if my income changes after I am approved for MAGI Medicaid?

If you are approved for MAGI Medicaid, you will keep being eligible for 12 straight months, even if your income changes.

Where do I apply for MAGI Medicaid?

You can apply through the New York State of Health Marketplace. Depending on where you live there may be people called navigators, who can help you enroll. You should call the New York State Department of Health to find out if there are any near you.

NON- MAGI Medicaid

If you don’t fit under MAGI Medicaid, there is also Non-MAGI Medicaid. You can be eligible for Non-MAGI Medicaid if:

- You are 65 or older.

- You are Certified Disabled.
- You are Blind, also known as being “DAB.”
- If you have Medicaid with a Spenddown.
- If you receive SSI.
- If you go through the Medicaid Buy-In for Working People with Disabilities under the age of 65. At times, this is shortened to MBI-WPD.
- If you have a Medicare Savings Program.
- If you have Disabled adult children.

Are there income and resource limits for Non-MAGI Medicaid?

Yes.

What are the Income and Resource guidelines for Non-MAGI Medicaid applicants?

For 2015, the income and resource limits for Non-MAGI Medicaid are:

| | | | | |
|----------------|----------|----------|----------|----------|
| Family Size | 1 | 2 | 3 | 4 |
| Monthly Income | \$825 | \$1,209 | \$1,390 | \$1,571 |
| Resource Level | \$14,850 | \$21,750 | \$25,013 | \$28,275 |

The income guidelines are lower than MAGI guidelines. However, resource limits and budgeting rules still apply. This means that the rules are the same for those with Medicaid with a spenddown and those with Pooled Trusts. There is still a Transfer of Asset penalty for Nursing Home Care.

What if you are Over-Income for Medicaid?

If you are over-income for Medicaid, your options will depend on who needs medical insurance coverage.

Children under age 19:

Let’s talk about kids first. **If there are children under age 19, they can get coverage through Child Health Plus.** Child Health Plus has an income limit of up to 400% of the Federal Poverty Limit, so it is higher than the other options normally. Also, Child Health Plus uses the same budgeting rules as MAGI. This means that the way they calculate your income is going to be

similar to how you do your federal taxes.

Parents and Caretaker Relatives of children:

If you are a parent or a caretaker relative of a child (or more than one child) that is under the age of 18 (or 19 if they are a student) you can either try:

1. Medicaid with a spenddown
2. Buying insurance on the New York State of Health Marketplace. If you go through the marketplace, you may get a subsidy which would help you pay for the insurance. These subsidies can include
 1. A Premium Tax Credit. (People are eligible up to 400% of the Federal Poverty Limit.)
 2. Cost-Sharing Assistance. (People are eligible up to 250% of the Federal Poverty Limit.)
 3. New York State subsidy. (People are eligible if your household income is between 138%-150% of the Federal Poverty Limit.)

Single Individuals and Couples without children:

If you are a single individual, a couple without children or between the age of 20-21 and not living with your parents, you can purchase insurance through the New York State of Health Marketplace. You may be eligible for premium and cost-sharing subsidies, like those mentioned above. Unfortunately, there is no Medicaid option if you are over-income for Medicaid and do not fit in any of the other options above.

Does Medicaid have any lifetime time limit?

No.

Do the public assistance work rules apply to the Medicaid program?

No. A person cannot be denied Medicaid or lose Medicaid because of any cash public assistance or food stamp employment rules.

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This article provides general information about this subject. Laws affecting this subject may have changed since this article was written. For specific legal advice about a problem you are having, get the advice of a lawyer. Receiving this information does not make you a client of our office.

Last Review Date: January 2016

Printed: April 23, 2019

<http://www.lawny.org/node/21/what-medicaid>

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