

Medicaid 101

For Organizations Receiving Funds Under the Housing Opportunities for Persons with AIDS (HOPWA), Emergency Solutions Grant (ESG), and Continuum of Care (CoC) Programs

What is Medicaid and Why Do I Need to Know More About It?

Medicaid is the nation's health care safety net. Jointly financed by the states and the federal government, it spent more than \$420 billion last year to cover the cost of health care for more than 72 million low-income Americans.

Understanding how Medicaid works —who is eligible and the services that can be provided —is critical to helping people with very low incomes, people who are homeless, and people with HIV/AIDS access critical health care and services. Understanding how Medicaid works in relation to the Affordable Care Act (ACA) is even more critical. Why?

- The implementation of the ACA makes changes to Medicaid. Changes include eligibility and expansion of coverage (in many states).
- Newly eligible Medicaid enrollees¹ will have access to a standard list of essential health benefits. Such benefits may include mental health and substance use services, traditional physical health services, and specialty care for persons living with HIV/AIDS.
- Medicaid funds the majority of long-term care in this country in both institutional (nursing homes and rehab units) and community settings. Additionally, it provides most of the nation's funding for HIV/AIDS related treatments and for mental health services.²

Why is Medicaid Important for People who are Homeless?

- Prevention and treatment of chronic conditions helps people to access and maintain stable housing. For some people, Medicaid can help cover the cost of support services that allow people to live independently in the community.
- People experiencing homelessness tend to have limited access to health care because they lack insurance, and as a result they often forgo treatment for chronic health conditions, acute injuries, mental illness, and substance use.
- Many people who experience long periods of homelessness are low income, single adults under age 64. They do not qualify for Medicare, and in many states do not qualify for Medicaid. In states expanding Medicaid through the ACA, this group will have access to health care.

¹ Apart from any state-specific add-ons to Medicaid

² This information is primarily from the [National Association of Medicaid Directors website](http://www.medicaiddirectors.org) at www.medicaiddirectors.org

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Medicaid is sometimes confused with Medicare. Medicare is a health insurance program for elderly and disabled people who worked and paid into the Social Security system. Medicaid is health insurance for uninsured, very low income people who cannot afford health insurance coverage or who are ineligible for it.

States also administer a Children's Health Insurance Program (CHIP).³ This health insurance program serves uninsured children, uninsured pregnant women, and certain uninsured family members of eligible children. Like Medicaid, CHIP looks somewhat different in different states.

Who Administers the Medicaid Program?

At the federal level, Medicaid is administered by the Centers for Medicare and Medicaid Services (CMS), an agency of the U.S. Department of Health and Human Services (HHS).⁴ CMS issues Medicaid regulations and guidance, reviews and approves Medicaid state plans and waivers, and monitors the financial and regulatory compliance of state Medicaid Programs.

One could say that the U.S. has 56 different Medicaid programs—one for every U.S. state and territory. States and territories administer the Medicaid with considerable variation across states and territories in terms of who is covered, what services are provided, and how those services are delivered and paid for.

Where Can I Find More Information?

Every state and territory in the United States has a Medicaid program. Each of these states and territories is required to designate a "single state agency" to administer the jurisdiction's Medicaid program. Medicaid.gov contains information about each state's Medicaid program.

Almost every state's single state agency has a website that describes its Medicaid program and a collection of website links is available through the State Profile Database in the ACA section of the Department of Housing and Urban Development's (HUD) OneCPD Information Portal. These state Medicaid websites are

³ www.chipmedicaid.org

⁴ www.cms.gov and www.hhs.gov

Why is Medicaid Important for People Living with HIV/AIDS?

- Medicaid is the single largest source of insurance coverage for persons living with HIV/AIDS in the U.S., and accounts for more than half of all spending on HIV care by the federal government.
- The Kaiser Family Foundation reports that there were 212,892 Medicaid enrollees with HIV in FY 2007, almost half (47%) of people with HIV estimated to be in regular care.
- Persons living with HIV/AIDS are three times more likely to be covered by Medicaid than the national population because HIV remains a disabling condition for many and most beneficiaries with HIV qualify for Medicaid because they are low-income *and* permanently disabled.
- As the largest source of care and coverage for Persons Living with HIV/AIDS, Medicaid has played a critical role since the HIV epidemic began. This role is expected to grow in 2014 due to the ACA.

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generally good sources of current and complete information on the state's Medicaid and CHIP programs. State Medicaid websites describe items such as eligibility, how to apply, covered services for eligible sub-populations, the setting in which those services need to be delivered (e.g., outpatient, inpatient), the caliber of staff necessary to be reimbursable (RN, LPN, case manager under the supervision of an RN, etc.), requirements to be a qualified Medicaid provider, and the availability of optional home and community-based and rehabilitative services.

What is the Medicaid Plan?

The State Medicaid Plan is a CMS-required document developed by each Medicaid single state agency. It describes the scope of its Medicaid program and provides assurance that it will be administered in conformity to all federal requirements. Significant changes to a state's Medicaid program (including those made as a result of new ACA opportunities) require the single state agency to submit a State Plan Amendment (SPA) for CMS approval. The State Medicaid Plan is a technical document that includes a description of groups eligible for Medicaid, services provided, how providers are reimbursed, and other program requirements.

Access to Medicaid can improve overall physical and mental health for people who are homeless.

- Access to a primary doctor and regular access to mental health treatment helps to prevent and manage chronic disease. It can help prevent a minor health problem – like the flu – from becoming a more serious condition when left untreated.
- People who are homeless and have an undiagnosed disability can benefit from having a regular doctor to help document a permanent disability that may qualify a person for Supplemental Security Income, helping people experiencing homelessness to access income and housing opportunities.

Who is Eligible for Medicaid?

Medicaid eligibility is based on a combination of financial and categorical eligibility requirements. Medicaid is a means-tested program and beneficiaries must have low incomes and have very limited assets.⁵ Consistent with federal guidelines, each state determines income thresholds and resource standards for their Medicaid program. These thresholds and standards can vary by state and may differ for each Medicaid-eligible population group within a state (e.g., children, women who are pregnant, and individuals with disabilities). As a result of the ACA many states are choosing to expand their state's eligibility requirements.

⁵ Income eligibility for Medicaid is generally much lower than HUD's very low-income limits, and can be lower than HUD's extremely low income limits.

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In the United States, there is a strong correlation between poverty and HIV.⁶ Poverty can limit access to health care, HIV testing, and medications that can lower levels of HIV in the blood and help prevent transmission risk. In addition, those who cannot afford the basics in life may end up in circumstances that increase their HIV risk.⁷

The U.S. Department of Housing and Urban Development's Housing Opportunities for Persons with AIDS (HOPWA) program provides housing and supportive services to many low-income persons living with HIV/AIDS. During the 2011-2012 program year, 94% of all clients served had household incomes below 50% of Area Median Income, of which 77% were at 30% or less than AMI.⁸ For all of these reasons, housing providers serving persons living with HIV/AIDS should plan to develop client outreach and enrollment plans to connect clients to both traditional Medicaid programs and expanded Medicaid programs.

What Services Must a State's Medicaid Program Provide?

States must provide several mandatory services in their state Medicaid plan. Mandatory services include: physician services, inpatient and outpatient hospital services, home health, lab/x-ray, and federally qualified health center (FQHC) services. Prescription medications, physical therapy, occupational therapy, personal care and case management are not statutorily mandated services. With the implementation of the ACA, each state must cover a set of federally-mandated Essential Health Benefits (EHBs).

What are Medicaid State Plan Options and Medicaid Demonstrations?

States can submit applications to CMS for approval of certain state plan options or demonstrations to customize their Medicaid program to meet their specific state needs. Such optional services, demonstration programs, and/or waiver programs are typically designed to provide the community supports that can promote stable housing for medically-fragile clients.

Examples of Options include:

- **The Medicaid Rehabilitation Option:** The "Rehab Option" offers rehabilitative services defined as "any medical or remedial services recommended by a physician or other qualified licensed practitioner for maximum reduction of physical or mental disability and restoration of a recipient to his best possible functional level." States typically utilize the Rehab Option to cover services provided in community-based, non-institutional settings including the person's natural environment (e.g., home or school).

⁶ Paul Denning, MD, MPH and Elizabeth DiNenno, PhD. Centers for Disease Control and Prevention. *Communities in Crisis: Is There a Generalized HIV Epidemic in Impoverished Urban Areas of the United States?*. Retrieved from <http://www.cdc.gov/hiv/risk/other/poverty.html> on September 18, 2013.

⁷ Centers for Disease Control and Prevention. *Today's HIV/AIDS Epidemic* (June 2013). Retrieved from <http://www.cdc.gov/nchstp/newsroom/docs/HIVFactSheets/TodaysEpidemic-508.pdf> on September 18, 2013.

⁸ For more information about Area median Income go to <http://www.huduser.org/portal/datasets/il.html>

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- Targeted Case Management (TCM): TCM services are provided to a defined “targeted” group of people, including in many cases people with disabilities, people living with HIV/AIDS and/or people who are homeless. Activities commonly allowable under TCM include: 1) assessment of the eligible individual to determine service needs, 2) development of a specific care plan, 3) referral and related activities to help the individual obtain needed services, and 4) monitoring of service delivery.
- 1915(i) Home & Community-Based Services: 1915(i) is a state plan option that allows states to provide community-based services to specifically defined target groups who are at risk of high cost institutional and acute care services. States may include case management, supported employment, adaptive equipment and other flexible community supports to the defined target group. The state Medicaid agency website is likely to be a good source of information on 1915(i) plans that are in place or in development.
- 1915(k) Community First Choice Option: This is a new state plan option established by the ACA that allows states to provide home and community attendant services. Attendant services are designed to provide assistance with daily living activities and to enhance people’s skills and abilities to manage these daily living tasks.
- Health Homes: The ACA established a new state plan option to establish Health Homes to coordinate physical health, long-term services and supports and in some cases mental health and substance use services for Medicaid recipients with chronic conditions. Qualifying chronic conditions include mental health, substance use, asthma, diabetes, heart disease and obesity. Other chronic conditions, such as HIV/AIDS, sickle cell anemia, or chronic obstructive pulmonary disease, may also be considered by CMS for approval. Health Home services include care management, care coordination, health promotion, transitional care, family support, and referral to community services.

States may also apply to CMS to participate in certain Medicaid demonstration programs.

Demonstrations are a way for states to test out new services, new service delivery systems or new payment models for Medicaid programs. The most common demonstrations reflect ways to make services more efficient and to reduce the cost of services without reducing the quality of care.

Some of the more common demonstrations include:

- Money Follows the Person (MFP): MFP is designed to assist states to rebalance their Medicaid long-term services programs by providing assistance to people with designated chronic conditions and disabilities who are living in institutions to move into integrated community

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settings with flexible community services and supports. Currently, 46 states and the District of Columbia have MFP programs.⁹

- **Balancing Incentives Program (BIP):** BIP is designed to assist states to transform long-term care systems from institutional to community-based care models. The goals of BIP are to help states lower costs, create community access and choice options for consumers, develop quality measurements, and create more home and community-based services. BIP provides enhanced federal match to qualifying states.¹⁰
- **Duals Demonstration/Integrated Care for People Enrolled in Medicare & Medicaid:** CMS has funded several states to demonstrate new models for integrating care for people who are dually eligible for Medicare and Medicaid. Many people who are in need of affordable housing linked with community services and supports are dually eligible, and thus may have their service access and care coordination needs met through new demonstration models in participating states.¹¹

What are Medicaid Waivers?

States may request specific waivers from existing Medicaid requirements to attain flexibility in operating their Medicaid programs. Waiver programs may be of particular interest to housing providers and consumers as they can fund the medical and support services necessary for medically fragile and disabled populations to remain stably housed.

Some of the more common Medicaid waivers include:¹²

- **Section 1115 Research & Demonstration Projects:** States can apply for program flexibility to test new or existing approaches to financing and delivering Medicaid and CHIP. 1115 Waivers provide states the opportunity to implement innovative service delivery systems that improve care, increase efficiency, and reduce costs.
- **Section 1915(b) Managed Care Waivers:** States can apply for waivers to provide services through managed care delivery systems that may include selective provider networks and prior authorization for certain types of services.
- **Section 1915(c) Home and Community-Based Services Waivers:** States can apply for waivers to provide long-term care services in home and community settings rather than institutional

⁹ According to the [Kaiser State Health Facts Database](#) 46 states have MFP programs with 37 of those states having an operational program, 8 states that are in a planning phase, and 1 state (Oregon) with an inactive program.

¹⁰ Qualifying states are those that currently spend less than 50% of their Medicaid long term care funds on community based as opposed to institutional services.

¹¹ For more information on the ACA Dual Eligible Demonstrations see www.medicaid.gov/affordablecareact/provisions/dual-eligibles.html

¹² Retrieved from www.medicaid.gov on June 28, 2013.

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settings. Such Waivers cover many of the support services including case management, services to transition an individual from an institution, transportation, personal care, and peer supports. Historically, most HCBS Waivers have focused on elders and individuals with intellectual/ developmental disabilities or physical disabilities. States have latitude in selecting the populations to which they will furnish services and the services that they offer through their home and community-based waiver programs.

- Concurrent Section 1915(b) and 1915(c) Waivers: States can apply to simultaneously implement two types of waivers to provide a continuum of services to the elderly and people with disabilities, as long as all federal requirements for both programs are met.

What is the Affordable Care Act's Medicaid Expansion?

As a result of the ACA, states have the option to expand Medicaid eligibility to include more low-income individuals. However, States are not required to implement the ACA's Medicaid expansion. Specifically, as of January 2014, states have the option to cover single adults under the age of 65 with incomes up to 138% of the federal poverty level through their Medicaid program. Expansion costs will be covered all, or in part, by a higher contribution or "match" from the federal government. The addition of the new financial-only eligibility group (i.e., people with incomes at or below 138% of the FPL) will allow many people who are homeless and/or single childless adults to access health insurance for the first time.

Within federal guidelines (see discussion of Essential Health Benefits below), states may define the scope of Medicaid services provided to the expansion population, and these may be different in some cases, from Medicaid services provided to people already eligible for and enrolled in Medicaid. For example, certain long-term services and supports, including rehabilitation option services and targeted case management, are not required to be included in the service benefit package for the Medicaid expansion population.

Fact about HIV Testing under Essential Health Benefits

- HIV testing is an integral step in connecting people with HIV to care, as well as in reducing the risk of transmitting HIV.
- Not all states provide Medicaid coverage for routine HIV screening.
- ACA requires all private insurance plans to cover routine HIV tests as a preventive service beginning April 30th, 2014.
- States that expand Medicaid are required to cover routine HIV testing for new enrollees in January 2014.
- States can choose to not offer routine HIV testing to individuals currently enrolled in Medicaid.
- The health reform law offers states a financial incentive (a 1% increase in federal Medicaid matching funds) to include routine HIV testing coverage for current Medicaid recipients.
- The Kaiser Family Foundation created a [comprehensive list of states covering HIV testing as of 2010](#).

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Current information on each state's plan to expand Medicaid coverage can be found at the [State Reform](#) and [Kaiser Family Foundation Health Reform](#) websites.¹³ The [ACA section](#) of HUD's [OneCPD Information Portal](#) provides state-specific health reform information for HUD grantees.

How Can Someone Apply for Medicaid?

Depending on the decisions by specific states regarding the expansion of Medicaid eligibility, many more people who were previously ineligible could be enrolled in Medicaid. However, the expansion of eligibility does not mean that these people will automatically receive health insurance through Medicaid. Eligibility does not equal enrollment. For a person to access Medicaid benefits, they must first apply to and enroll in the program.^{14,15}

HHS is developing a streamlined application process to apply for Medicaid and CHIP. This same application process will be used to apply for commercial insurance under the applicable state or federal Health Insurance Exchange.¹⁶

States implementing the Medicaid expansion designate numerous points throughout the state at which people can be assisted to complete this application. For states not implementing the Medicaid expansion, the federal or state [Health Exchange](#)¹⁷ will still use the uniform application process to assist uninsured people to access affordable commercial insurance options.

What are Essential Health Benefits?

Medicaid services for Medicaid coverage expansion groups¹⁸ must include the ten EHBs identified in the ACA. These include:

- (1) Ambulatory patient services
- (2) Emergency services

¹³ www.staterforum.org/resources and <http://kff.org/health-reform>

¹⁴ The exception to this statement are individuals living in so called "1634 states" where the state has requested that the Social Security Administration make Medicaid eligibility determinations for persons receiving Supplemental Security Income (SSI) benefits. To determine if you live in a state where a person who receives SSI is automatically enrolled in Medicaid visit: <https://secure.ssa.gov/poms.nsf/lnx/0501715010>

¹⁵ Technical Assistance Collaborative. (2011). How Health Care Reform Strengthens Medicaid's Role in Ending and Preventing Homelessness: Medicaid Eligibility Expansion. www.tacinc.org/media/15034/Health%20Reform%20Medicaid%20Homelessness.pdf

¹⁶ Health Insurance Exchanges are being established to assist people with incomes between 138% and 400% of the federal poverty level access affordable commercial market health insurance options. This fact is important because many people with low incomes move back and forth between Medicaid eligibility and commercial insurance coverage.

¹⁷ www.healthcare.gov

¹⁸ This only applies to states that elect to implement the Medicaid coverage expansion, and in those states may only apply to the expansion population and not the already-eligible Medicaid population groups. The essential health benefit categories do apply to commercial insurance products offered through Health Exchanges for people that are not included in the Medicaid expansion population.

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- (3) Hospitalization
- (4) Maternity and newborn care
- (5) Mental health and substance use disorder services including behavioral health treatment;
- (6) Prescription drugs
- (7) Rehabilitative and habilitative¹⁹ services and devices
- (8) Laboratory services
- (9) Preventive and wellness services and chronic disease management
- (10) Pediatric services, including oral and vision care

Each state must identify an “alternative benefits plan (ABP)” based on a widely available commercial health insurance plan offered in the state. This ABP is used to establish a minimum standard of coverage that the Medicaid plan must offer to the expansion population. The ABP must include the ten EHBs and must be consistent with the minimum benefit design of commercial insurance products offered via the health exchange in each state. Additional information about state ABPs is located at: <http://www.cms.gov/CCIIO/Resources/Data-Resources/ehb.html>

How Will the Medicaid Expansion Impact the Ryan White HIV/AIDS Program and HOPWA?

For many persons living with HIV/AIDS, the Ryan White HIV/AIDS Program (RWHAP), administered by HHS, has been the sole source of medical care and ancillary services such as case management and mental health and substance abuse treatment. However, RWHAP funds cannot be used for any item or service that can be made by another payment source including Medicaid. In states where Medicaid is expanding due to ACA, clients previously enrolled in RWHAP for medical care may now be eligible for Medicaid. RWHAP grantees will be asked by HHS to make every effort to enroll eligible individuals in Medicaid.²⁰

Additionally, depending on income level, Medicaid-eligible clients may incur some premium expenses and/or cost-sharing depending on the state in which they live. RWHAP funds can be used to cover Medicaid premiums, deductibles, and co-payments, as well as any medically necessary services which Medicaid does not cover.²¹ As the payer of last resort RWHAP will continue to pay for services not covered or partially covered by Medicaid. As RWHAP allows each community to make decisions about what services to pay for, providers and clients are encouraged to contact their local RWHAP to see what assistance may be available (<https://careacttarget.org/content/grantee-finder>). For more information about the RWHAP, go to <http://hab.hrsa.gov/abouthab/aboutprogram.html>.

¹⁹ Habilitative services are those services which are designed to assist people in acquiring, retaining, and improving their self-help, socialization, and/or adaptive skills.

²⁰<http://hab.hrsa.gov/manageyourgrant/pinspals/1301pcnmedicaideligible.pdf>

²¹<http://hab.hrsa.gov/manageyourgrant/pinspals/pcn1306medicaidpremiumcostsharing.pdf>

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Many low-income persons living with HIV/AIDS receive housing assistance and supportive services from HUD's HOPWA program. Housing providers have unique access to clients who may be disconnected from medical care and yet directly impacted by changes to both Medicaid and RWHAP. It is important that all service providers working with persons living with HIV/AIDS help to identify, enroll, and transition those clients into Medicaid programs. Furthermore, by providing new opportunities to outreach and engage HOPWA clients in Medicaid programs, housing providers can help to improve client health outcomes.

This paper is the first in a series of information resources designed to assist housing and service providers in the field to understand the Medicaid program and the changes occurring as a result of the ACA.

Websites for More Information

www.cms.gov

A federal government website managed by CMS. The site includes information about the Medicare and Medicaid programs; links to regulations and federal policy guidance; and research, data, and statistics about the nation's health insurance programs for the elderly and low-income Americans.

www.healthcare.gov

A federal government website dedicated to health reform managed by HHS. Site includes information about key features of the ACA, an interactive timeline of implementation dates for key provisions, and tools to help people locate insurance.

www.medicaid.gov

A federal government website managed by CMS with information about the Medicaid program, the federal-state insurance program for low-income Americans. The Medicaid site includes specific information and links to the Medicaid program in each state.

www.onecpd.info/aca

The website for HUD's Office of Community Planning and Development (CPD) provides information and access to technical assistance, tools, and learning opportunities to organizations that receive CPD funds. Users can sign-up for ACA related email updates and search for ACA related information and materials. This website also contains state-specific information on the implementation of Medicaid expansion, new Medicaid benefits, and other state-level information as that becomes available.

www.samhsa.gov/healthReform

A federal government website managed by the Substance Abuse and Mental Health Services Administration (SAMHSA). The site provides information about how health reform affects people living with mental health and substance use disorders. The site includes an archive of health reform related webinars.

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www.enrollamerica.org

Enroll America is a non-profit organization whose mission is to “maximize the number of uninsured American who enroll in health coverage made available by the ACA.” Site includes information about health insurance outreach and enrollment best practices and an interactive map with information about how to enroll in health insurance in each state.

www.familiesusa.org

Families USA is a national non-profit, non-partisan organization that advocates for high-quality, affordable healthcare for all Americans. The website has useful information about the latest news related to health reform implementation, advocacy tips, and relevant policy briefs.

<http://healthreform.kff.org>

Website operated by the Henry J. Kaiser Family Foundation that includes basic information about the ACA, research and analysis, details about state implementation, and frequently asked questions about health reform.

www.aids.gov/federal-resources/policies/health-care-reform

The AIDS.gov website is designed to increase knowledge about HIV/AIDS as well as the federal response to HIV/AIDS. It is managed by HHS, but receives planning guidance from a cross federal agency planning group. The AIDS.gov website maintains a separate Affordable Care Act page with information and resource links related to how the ACA affects people living with HIV/AIDS.