




**BAY AREA LEGAL AID**  
HEALTH CONSUMER CENTER

# CONTINUUM OF COVERAGE 101

ANDY LE  
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November 4, 2019

# HEALTH CONSUMER CENTER

- Statewide legal hotline providing free assistance on health care coverage and health access issues
  - The Health Consumer Center (HCC) also provides legal advice, brief services, and extended representation, including representation at State Fair Hearings.
  - Spanish, Vietnamese, Mandarin, Cantonese, Korean, and Hindi speaking attorneys. All other languages accessed via a telephone interpreter service.
  - Areas of health law include Medi-Cal, Covered CA, Medicare, and private insurance.
  - All services are free and we welcome all income levels.
  - **Hotline: 1 (855) 693 - 7285. Open M-F, 9-5pm.**
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# HOW DO WE HELP?

- Call our hotline at 1-855-693-7285
- Monday – Friday, 9:00 am – 5:00 pm
- Services available in all languages
- Free!
- No income requirement!

# MEDICARE & MEDI-CAL INSURANCE

## MEDICARE

**MEDICARE HEALTH INSURANCE**

1-800-MEDICARE (1-800-633-4227)

NAME OF BENEFICIARY  
**JOHN DOE**

MEDICARE CLAIM NUMBER  
**000-00-0000-A**

SEX  
**MALE**

IS ENTITLED TO  
**HOSPITAL (PART A)**      **01-01-2007**  
**MEDICAL (PART B)**      **01-01-2007**

EFFECTIVE DATE

SIGN HERE → \_\_\_\_\_

*SAMPLE*

## MEDI-CAL

**State of California**

**Benefits**

**STATE OF CALIFORNIA**  
**BENEFITS IDENTIFICATION CARD**

ID No. 90000000  
**SUE G RECIPIENT**  
F 05 20 1993

ID No. 01234567A95052  
**JOHN Q RECIPIENT**  
M 05 20 1991      Issue Date 02 21 05



# MEDICARE AND MEDI-CAL

## Medicare

- 65+, blind or disabled
- Covers hospital services, physician services, prescription drugs

## Medi-Cal

- Low-income individuals
- Provides hospital services, physician services, long-term services and supports

# MEDICARE & MEDI-CAL OVERLAP

- Medicare & Medi-Cal insurance benefits can overlap. Medicare is primary and pays first.. Medi-Cal is billed after Medicare has paid their share.
- For Part B physician services, Medicare pays 80% and the leftover 20% co-payment is billed to Medi-Cal
- Providers cannot bill you for Medicare co-payments or deductibles if you have free Medi-Cal
  - Except for Part D prescription co-payments of about \$2.95 to \$7.40 for generic/brand name prescriptions
  - Medi-Cal does not pay for Medicare prescription drugs

# MEDI-CAL: WHAT IS IT?

- Federal & state funded health insurance program for low-income persons
- Administered by California's Department of Health Care Services (DHCS)
  - *<http://www.dhcs.ca.gov/services/medi-cal>*
- Eligibility is determined at the county level

# ELIGIBILITY: WHO GETS MEDI-CAL?

- Programmatically-linked: *i.e.*, SSI, CalWORKs,
- Seniors
- “Expansion/Childless” adults 19-64
- Foster care, adoption assistance
- Parent/Caretaker Relatives
- Infants and children up to age 19
- Pregnant women
- Persons with disabilities
- Former foster youth to age 26
- Long term care





# TYPES OF MEDI-CAL COVERAGE

- **Full-Scope Medi-Cal**: free, no cost-sharing, no payment for services
  - Pays for medically necessary health care & treatment when using a Medi-Cal provider. \$0 out of pocket responsibility
  - Programs: MAGI Medi-Cal (138% FPL, Parent/Caretaker etc), 250% Working Disabled, Aged & Disabled Medi-Cal
- **Share of Cost (SOC)**: income too high for full-scope Medi-Cal

# MEDI-CAL EXPANSION: WHAT IS MAGI?



- Adults, aged 19 – 64 years: (also called “MAGI Medi-Cal”) is based on Modified Adjusted Gross Income
  - Income limits based on 138% FPL
  - No asset limit (ex money in savings accounts or personal property)
  - **Calculation:** Adjusted Gross Income + Non-taxable Social Security Benefits (ex, Social Security Disability, Social Security Retirement), Tax-exempt interest, Foreign earned income & housing expenses
    - Adjusted Gross Income: Income Line 37 on IRS Form 1040, Line 4 on Form 1040EZ, Line 21 on Form 1040A
    - Common tax deductions will affect the AGI, such as student loan interest deductions, and educator expenses, etc.
    - Common Income Exceptions: State Disability Insurance, financial assistance used to pay for tuition.

# MEDI-CAL EXPANSION: CONTINUED

Eligibility is determined by whether the applicant(s) income falls beneath the income limit for their household size.

- **Household Size: based on tax household size.**
  - Ex: Generally, tax household is the tax filer, spouse, and any dependents.
- **Self-Employment Income**
  - Counted as reportable income but only the taxpayer's net business profit (or loss), as shown on their Schedule C.
- **IHSS Income Special Rules**
  - Under MAGI based programs, IHSS wages received by IHSS providers who live in the same home with the recipient of those services are **excluded** from gross income.

# NON-MAGI MEDI-CAL

- Non-MAGI Medi-Cal programs have both income and asset requirements unlike MAGI Medi-Cal.
  - Aged, Blind, & Disabled Medically Needy programs
  - 250% Working Disabled Program
  - Share of Cost & Long Term Care programs
  - **Countable Income:** income after all applicable deductions are made. Deductions can vary from one program to another.
- **Asset Limits (unlike MAGI Medi-Cal)**
- **Aged, Blind, and Disabled:** Individuals 65+ or under 65 and disabled.
- **250% Working Disabled:** program for disabled individuals who are over income for Aged & Disabled program. (nominal premium)

# DETERMINING INCOME MAGI VS. NON-MAGI



## TRADITIONAL MEDICAL CATEGORIES

- Aged, Blind, Disabled
- Medically Needy
- Long Term Care (skilled nursing facility)
- 250% Working Disabled

## MODIFIED ADJUSTED GROSS INCOME (MAGI) COUNTING RULES

- Expansion Childless adults 19-64
- Pregnant women
- Children up to age 19
- Parent/Caretaker Relative

# INCOME LIMITS



Coverage Group	Income FPL	2019 Monthly Income (1 person)	2019 Annual Income (1 person)
Expansion adult, 19-64	138%	\$1,437	\$17,236
Parent/Caretaker Relative	109%	\$1,135	\$13,614
Aged, Blind, or Disabled*	100% + \$230	\$1,271	\$15,252
Working Disabled*	250%	\$2,602	\$31,225

\*Non-MAGI

# COUNTABLE INCOME UNDER MAGI & NON-MAGI

	MAGI Programs	Traditional non-MAGI Medi-Cal
<b>Counted as Income?</b>		
Social Security Disability	Y	Y
State Disability Income	N*	Y
IHSS Wages	N (wages received as a live-in provider)	N (only for IHSS wages earned on behalf of minor child and/or spouse)
Workers Compensation	N	Y
Gifts, Inheritances	N	Y
SSI	N	N

# MEDI-CAL ASSET & RESOURCE RULES

Non-MAGI Medi-Cal categories have an asset/resource limit

- **Asset Limit**
  - Single: \$2,000/mo
  - Couple: \$3,000/mo
- A house is exempt (if you live in the home) and 1 car (2 cars for a couple).
- **IRAs, KEOGHs, and other work-related pension plans:** exempt if the family member whose name it is in does not want Medi-Cal. If held in the name of a person who wants Medi-Cal and payments of principal and interest are being received, the balance is considered unavailable and it is not counted
- **Life insurance policies:** Exempt if the face value is \$1,500 or less



# COUNTABLE INCOME FOR NON-MAGI MEDI-CAL



Countable Income for Medi-Cal purposes is calculated by taking mo income minus applicable common deductions:

- **Medical insurance premiums** (ex. Medicare Pt B, supplemental insurance)
- **Automatic \$20 deduction**
- **Any Employment Income Deductions (aka earned income)**
  - Deduct \$65 Employment Income
  - Subtract any Impairment-related expenses paid to become/remain employable (if you are disabled)
  - Subtract any Income-related work expenses (ex. transportation, uniforms, etc.) (if you are blind)
  - Divide in half the balance of employment income deductions

*\*These rules apply to spousal employment as well.*

# MEDI-CAL MEDICALLY NEEDY PROGRAMS & SHARE OF COST

**SHARE OF COST (SOC)** is assigned when an applicant's *countable income* is over the maximum income limit for the applicable Medi-Cal program.

What is a Share of Cost?

- It is not a monthly premium
- It functions more like a **monthly deductible, or a monthly cap** on the amount you have to pay for health services.
  - You only pay toward the SOC in month receiving services.
  - If you do use health services in a month, you are responsible to **pay out of pocket for your health services up to the SOC amt.** After meeting the entire SOC in one month, MC will cover any expenses above your SOC in that same month.
  - SOC restarts every month

# CALCULATING THE SHARE OF COST

Share of Cost is Calculated by the County Office

- **Share of Cost** = Countable Income minus the Maintenance Need Level for the household
- **Maintenance Need Level** is set by the govt and the amt of income the govt allows a beneficiary to retain for rent, food, utilities. It is a standard level and does not take into account cost of living.
  - Single person \$600
  - Couple \$934

# MEETING THE SHARE OF COST

- A beneficiary is deemed to have “met” their share of cost when they have paid out of pocket for their medical expenses, up to the SOC cap.
- Medical bills paid on behalf of other family members also count towards meeting the SOC.

# MEETING YOUR SHARE OF COST: COMMON STRATEGIES

- Using unpaid bills
- Medical expenses paid on behalf of another family member
- Supplemental medical insurance
  - Reduce someone's countable income to either at or below the free Aged & Disabled limit (\$1,271 for single person in 2019). Paid monthly premiums for supplemental insurance (vision, dental, medigap) can be deducted from the household's countable income.
  - Premiums paid on behalf of other immediate family members (spouse, children etc).
- 250% Working Disabled Program

# COMMON STRATEGIES, CONTINUED

- **Group health services** into as few months as possible so that you only have to pay out-of-pocket for health services during as few months as possible.
- Use **unpaid medical bills to meet the SOC**. The bills can be for the individual themselves or their family members. You can combine unpaid bills into one month. Contact the county MC worker to do this.

# 250% WORKING DISABLED PROGRAM

Provides full-scope Medi-Cal with a **monthly premium** to working disabled individuals with countable income below 250% FPL.

▪ Criteria:

- 1) **Disabled** – SSA or Medi-Cal determination of disability
- 2) **Minimal employment** – beneficiary must engage in minimal employment. No set minimum hours, wages to qualify.
  - Ex. babysitting, filling out forms, gardening, recycling, etc.
- Under 250% WDP, all disability income is exempt. The monthly premium is on a sliding scale and determined by the non-exempt income. The lowest monthly premium is \$20.
- Also allows the beneficiary to save employment income, in a separate bank account, in excess of the regular Medi-Cal \$2,000 asset limit.



**DENTI-CAL BENEFITS**



# ADULT DENTI-CAL BENEFITS

Denti-Cal restored and expanded adult Denti-Cal benefits, which took effect in 2018.

Major covered services include:

- Custom crowns
- Root canals in back teeth
- Partial dentures
- Partial denture adjustments, repairs, and relines
- Periodontics (scaling and root planning)



## DENTI-CAL BENEFITS, CONTINUED

- Initial exam
- Cleanings
- Fluoride Treatment
- X-Rays
- Fillings
- Premade crowns (resin and stainless steel only)
- Tooth removal
- Root canals in front teeth
- Full dentures
- Full denture adjustments and repairs



## APPEALS/GRIEVANCES

- **Initial Appeal to Provider**
- **Notification to Denti-Cal**
  - When action at the provider level fails to resolve the complaint or grievance, the beneficiary should telephone Denti-Cal at (800) 322-6384.
  - Denti-Cal will acknowledge the written complaint or grievance within five (5) calendar days of receipt
  - Denti-Cal will send a letter summarizing its conclusion and reasons substantiating the decision to the patient within 30 days of the receipt of the complaint or grievance.
  - If HMO, file complaint with **DMHC**: (888) 466-2199
  - If a beneficiary is not satisfied with the decision of the complaint review process, he/she may ask for a **State Hearing** by writing to or calling: Office of the Chief Administrative Law Judge State Department of Social Services PO Box 13189 Sacramento, CA 95813-3189 Or: (800) 952-5253

# HOW TO APPLY FOR MEDI-CAL

- **ONLINE**

- <https://www.coveredca.com/apply/> - Download application or fill out online
- <https://www.mybenefitscalwin.org/>

- **IN PERSON**

- 1867 Senter Road, San José, CA 95112(M-F, 8am - 5pm)
- Tel: (877) 962-3633



**COVERED**  
**CALIFORNIA**

**COVERED CALIFORNIA**

# HEALTH REFORM BASICS

- Affordable Care Act creates more consumer protections, strictly regulating certain health care insurance practices
- Expands access to health care
  - Medicaid expansion
  - Health Benefit Exchange: Covered California ([coveredca.com](http://coveredca.com)) - Determines (1) public insurance eligibility; (2) private insurance premiums and cost sharing subsidies



# WHAT COVERAGE WILL YOU GET?



## 10 “Essential Health Benefit” categories in ALL plans:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services, including chronic disease management
- Pediatric services, including oral and vision care



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# ACA & MINIMUM ESSENTIAL COVERAGE

- In CA, most U.S. citizens, U.S. nationals and noncitizens who are “lawfully present” are required to have Minimum Essential Coverage for 10 of 12 months.
- MEC Examples:
  - Employer-sponsored coverage, including COBRA & retiree coverage
  - Full-scope Medi-Cal;
  - Refugee Medical Assistance (RMA);
  - Medicare Part A coverage with no premium;
  - Medicare Advantage Plans;
  - TRICARE; certain types of veterans health coverage;
  - State high risk pools for plan/policy year beginning on or before 12.31.14



# OVERVIEW

- Covered California is California's Health Insurance Exchange
  - Virtual health insurance marketplace where you can go to buy health insurance coverage for you and your family
  - Website: [www.coveredca.com](http://www.coveredca.com)
  - Phone: 1-800-300-1506
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# COVERED CA FEATURES

- Shop and Compare
- Apply
- Get Help
- Steps to Apply
- FAQs
- Small Business
- Medi-Cal

The screenshot displays the Covered California website interface. At the top, there is a navigation bar with the Covered California logo on the left and links for 'Account Sign In', 'Español', and 'Other Languages' on the right. Below this is a dark blue menu bar with 'About', 'Shop and Compare', 'Apply', and 'Get Help' options. The main content area features a large banner with a woman running on a path, overlaid with the text 'Find health insurance that's right for you.' and a yellow 'EXPLORE YOUR OPTIONS' button. Below the banner is a link: 'What is Covered California, and how does it work?'. To the right of the banner is a 'Members' section with the text 'Resources to Help You Keep and Use Your Covered California Health Insurance Plan' and a 'Find Local Help to Enroll' button with a right arrow icon. Below these are four icons representing 'Steps to Apply', 'FAQs', 'Small Business', and 'Medi-Cal'. At the bottom, there are four circular icons representing insurance plans: BRONZE (60%), SILVER (70%), GOLD (80%), and PLATINUM (90%).

# ADVANCED PREMIUM TAX CREDITS (APTCS)

- **Income between 139-600% FPL (effective 2020)**
  - Pre-2020: up to 400% FPL
- **How do the tax credits work?**
  - Paid directly to the health plan
  - Reduces cost of monthly premiums
  - End of the year reconciliation
- **Must not be eligible for other “minimum essential coverage”**

# COST SHARING REDUCTIONS (CSRS)

- Income below 250% FPL who select a silver plan
- How do the cost sharing reductions work?
  - Paid directly to the health plan
  - Reduces deductibles, coinsurance, and copay amounts
  - No end of the year reconciliation

# WHEN CAN YOU ENROLL?

- **Open enrollment for 2020 began on October 15, 2019 through January 31, 2020**
  - Must sign up by December 15<sup>th</sup> if consumers want their new plan to start January 1, 2020
  - CA restored the individual mandate (ACA 2014 – 2018) effective 2020 → must have coverage or pay a penalty (unless exempt)
    - Penalty is \$695 or more and applied by CA Franchise Tax Board
- **Special enrollment period**
  - Lets you sign up for coverage outside regular open enrollment period
  - Qualifying event such as loss of a job, marriage, divorce, birth or adoption of a child, loss of affordable coverage.
  - Period lasts 60 days before and after the qualifying event




# STATE FAIR HEARINGS & APPEALS

# APPEAL RIGHTS

- Request a **State Fair Hearing** and appeal the county action
  - Eligibility Issues: 90 days from date of the Notice of Action.
  - Denials for Health Services: If you are appealing a managed care plan decision, must request within 120 days from date of denial.
- **Aid Paid Pending:** if an appeal is submitted *before* the county action goes into effect, Medi-Cal benefits will continue as is until you receive a final State Fair Hearing decision.

# Appeal Rights: State Fair Hearings

- State Fair Hearings (“SFH”) are before by an Administrative Law Judge who makes a judgment based on testimony, facts, and the applicable Medi-Cal regulations.
  - Usually informal and beneficiaries can represent themselves. An attorney is not required.
  - Right to present their case, provide oral testimony, and to submit relevant documents to support their case.
  - The county also has the opportunity to attend and provide a statement of their case.
  - After the SFH decision is released, 30 day deadline to request a rehearing if the beneficiary disagrees with the SFH decision.
- 





**IMMIGRATION STATUS &  
ELIGIBILITY**

# NAVIGATING MEDI-CAL

- If income increases, a beneficiary could lose eligibility for free, fullscope Medi-Cal benefits.
- State regulations require the Medi-Cal county office to evaluate a person for all other programs for potential eligibility before proposing termination of Medi-Cal benefits
- Utilize the medical insurance premiums spenddown, evaluate for 250% Working Disabled Program, and/or other categories

# “QUALIFIED” IMMIGRANTS

“Qualified” lawfully present immigrants eligible for **full-scope Medi-Cal** include:

- Lawful permanent residents (LPRs)
- Refugees & asylees
- Persons granted withholding of deportation, conditional entry (in effect prior to Apr. 1, 1980), or paroled for at least one year
- Cuban/Haitian entrants
- Iraqi or Afghani special immigrants (worked for the US)
- Battered spouses & children with a pending or approved (a) self-petition for immigrant visa, or (b) immigrant visa filed for a spouse or child by a U.S. citizen or LPR, or (c) application for cancellation of removal/suspension of deportation, whose need for benefits has a substantial connection to the battery or cruelty (including parent/child of such battered child/spouse);
- Victims of trafficking and their derivative beneficiaries who have obtained a T visa or whose application for a T visa sets forth a prima facie case

# MEDI-CAL ELIGIBILITY AFFECTED BY IMMIGRATION STATUS

## Full-Scope Medi-Cal and Medi-Cal Access Program for Infants & Mothers:

- “Qualified” immigrants &
- “Not qualified” immigrants only if:
  - Permanently residing in U.S. under color of law (PRUCOL), including DACA, or
  - Victim of trafficking, applicant for U visa or U visa holder, or
  - Native American tribal member born outside U.S., including Canada
- Medi-Cal Long-Term Care: “Qualified” & “not qualified” immigrants, including LPRs and PRUCOL

## In-Home Supportive Services

- “Qualified” immigrants &
- “Not qualified” immigrants only if:
  - Permanently residing in the U.S. under color of law (PRUCOL), including DACA, or
  - Victim of trafficking, applicant for U visa or U visa holder.

# UNDOCUMENTED: HEALTH INSURANCE OPTIONS



## Health Coverage Options for the Undocumented:

- **Not allowed to purchase Covered California** private health insurance at full cost or with APTC and/or CSR;
- **Exempt** from individual mandate;
- **Not eligible for Medicare** or non-restricted Medi-Cal;
- Remain eligible for **emergency care** under federal law;
- Eligible for **Restricted Medi-Cal** if low-income;
- May seek **nonemergency health services at community** health centers or safety-net hospitals.

# PUBLIC CHARGE

- **What is it?**
  - A test to decide whether a person can enter the U.S. or get a green card. Officials look at all of a person's circumstances, including income, employment, health, education or skills, family situation and whether a sponsor signed a contract promising to support the person. They can also look at whether a person has used certain benefit programs.
  - Before proposed rule, only **cash assistance** and **long-term care** were counted.
- **Changes Proposed for 10/15/2019**
  - Will look more closely at factors like health, age, income, skills (including English language skills), and use of more public programs, including:
    - Supplemental Nutrition Assistance Program (SNAP; EPT; Food Stamps)
    - Federal Public Housing and Section 8 assistance
    - Medicaid (except for emergency services, children under 21 years, pregnant women, and new mothers)
    - Cash assistance programs (SSI; TANF; General Assistance)
- **NOT included:** WIC; CHIP, school lunches; food banks; shelters, etc.

# PUBLIC CHARGE, CONTINUED

- **At Present:**
  - Proposed rule only to apply to applications postmarked or submitted electronically on or after 10/15/2019.
  - **HOWEVER**, the courts stopped the new public charge test before it took effect. Keep using Medi-Cal, CalFresh, Section 8, and Public Housing.
- **Speak to an attorney before cancelling benefits!**

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