

## Presentation 4.B.



# Medi-Cal and Medicare Programs: Presentation to Long Term Care Insurance Task Force

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# Medi-Cal



# Medi-Cal Overview

- Medi-Cal is California's Medicaid program.
- Medi-Cal is free or low-cost health coverage for children and adults with limited income.
- Medi-Cal is authorized and funded through a federal-state partnership.



# Medi-Cal Populations Covered

- 14 million Californians
  - 5 million children up to age 18
  - 7.7 million adults age 19-64
  - 1.3 million adults age 65+



# Medi-Cal Financing

- Federal funding share based on each state's federal medical assistance percentage (FMAP).
- California's regular FMAP is 50% for most beneficiaries and administrative costs.
- Enhanced/increased FMAP available for certain populations, programs and time periods:
  - Families First Coronavirus Response Act temporary FMAP increase during Public Health Emergency
  - American Rescue Plan Act FMAP increase for Home and Community Based Services
  - Affordable Care Act Enhanced FMAP for Medicaid expansion adults
  - Also: Automation systems, Health Homes, Family Planning, Money Follows the Person, Community First Choice Option



# Medi-Cal Benefits and Programs

- The Department of Health Care Services (DHCS) is California's single state Medicaid Agency.
- DHCS Medi-Cal programs include physical health, mental health, **long-term services and supports**, **home health**, pharmacy, dental, and substance use disorder services.
- Other state and local programs in California use federal Medicaid funds, for example:
  - Department of Developmental Services: Regional Center programs for individuals with intellectual and developmental disabilities.
  - California Department of Social Services: In-Home Supportive Services (IHSS) for personal care services.



# Medi-Cal Long-Term Services and Supports (LTSS)

- Long-Term Care (custodial care) in Skilled Nursing Facilities (SNFs)
- Home and Community Based Services and recipients:
  - In-Home Supportive Services (IHSS): 590,000 statewide
  - DD Waiver and State Plan programs: 378,000 statewide
  - Community Based Adult Services (CBAS): 37,000 in 27 counties
  - Multipurpose Senior Services Program (MSSP): 11,000 in 46 counties
  - Home and Community Based Alternatives (HCBA) Waiver: 6,000 statewide
  - Assisted Living Waiver (ALW): 5,100 in 15 counties
  - HIV/AIDS Waiver: 1,500 in 26 counties
  - California Community Transitions (CCT), under federal Money Follows the Person authority: ~600 statewide



# Medi-Cal Home and Community Based Services (HCBS)

- Under Medi-Cal, California offers a broad array of HCBS programs and providers to eligible beneficiaries.
- Some HCBS authorized under California's Medicaid State Plan; others authorized under section 1915(c) or 1115 waivers.
- Some Medi-Cal beneficiaries enrolled in more than one HCBS program.
- Services vary by program and individual care plan.
  - Care coordination/case management
  - Medical services
  - Nursing services
  - Personal care services (bowel and bladder care, bathing, grooming and paramedical services)
  - Chore services
  - Accompaniment to medical appointments
  - Protective supervision
  - Respite
  - Supported living
  - Occupational therapy, physical therapy, respiratory therapy





# Medi-Cal HCBS Waiver Eligibility

- Individuals must meet the following criteria to be eligible to enroll in an HCBS waiver:
  - Meet Medicaid eligibility requirements
  - Have care needs equal to the level received in an institution
  - Require one or more waiver service to remain safely in the community
  - Want to receive HCBS in the community, instead of receiving care in an institution



# Medicare-Medicaid Integrated Managed Care Models in California

- **Program of All-Inclusive Care for the Elderly (PACE):**
  - 12,000 beneficiaries in 23 counties
  - Serves individuals age 55 or older certified to need nursing home care, but who are able to live safely in the community.
- **SCAN Health Plan - Fully Integrated Dual Eligible Special Needs Plan (FIDE-SNP):**
  - 14,000 beneficiaries in three counties
  - Serves Medicare-Medicaid dually eligible beneficiaries certified to need nursing home care, but who are living in the community.
- **Cal MediConnect - federal financial alignment initiative:**
  - 114,000 beneficiaries in seven counties
  - Serves dually eligible beneficiaries with any health status or needs. As part of DHCS CalAIM initiative, Cal MediConnect will transition to D-SNP aligned enrollment in seven counties in 2023, and additional counties in 2026.



# Medi-Cal Long-Term Care

- Two thirds of California's nursing facility residents rely on Medi-Cal to pay for their care in a skilled nursing facility.
- Medi-Cal eligibility is based on income, assets, physician approval, and medical necessity.
- In 2020, 88 percent of nursing home residents (across all payers) were discharged after a stay of three months or less - only six percent of all residents remained in the facility for one year or more.



# Medi-Cal Eligibility (in general)

- Many beneficiaries under age 65 are eligible based on Modified Adjusted Gross Income (MAGI) standards, with income below 138% of the Federal Poverty Level (\$17,775 annually for individuals and \$24,040 annually for two people in 2021), and no asset test.
- Medi-Cal also available based on other income levels and factors such as age, disability, pregnancy, resident of skilled nursing or intermediate care home, refugee status, and other categories.
- Medi-Cal eligibility also based on enrollment in CalFresh, SSI/SSP, CalWORKs, Refugee Assistance, Foster Care.
- Non-MAGI eligibility rules currently include asset limit, but asset limits are changing per 2021-22 state budget.



# Medi-Cal Share of Cost

- Some beneficiaries must pay a monthly dollar amount toward their medical expenses before they qualify for Medi-Cal benefits. This dollar amount is called Share of Cost (SOC).
- SOC is based on the amount of income a beneficiary receives in excess of “maintenance need” levels. Beneficiaries pay income in excess of their “maintenance need” level toward their own medical bills before Medi-Cal begins to pay.
- For residents of long-term care facilities, the maintenance need level is called a “personal needs allowance.”



# Medi-Cal Asset Limit and Spend Down

- Current Medi-Cal asset limit (\$2,000 for individual) for seniors and people with disabilities (non-MAGI).
- Certain types of property exempt from asset limit.
- Individuals and couples with assets above the Medi-Cal asset limit, and who need in-home, community, or institutional care not covered through Medicare or other insurance, spend their income and assets on private pay care.
- Some individuals or couples may “spend down” on private pay care until their assets meet Medi-Cal limits.
- Eligibility restrictions may apply due to transfers of non-exempt assets in 30 months prior to institutionalization.
- Per 2021-22 state budget, the Medi-Cal eligibility asset limit will be increasing in 2022, and will be eliminated in 2024.



# Medi-Cal is the Payer of Last Resort

- By federal law, Medicaid (Medi-Cal) is the payer of last resort. If another insurer or program has the responsibility to pay for medical costs incurred by a Medicaid-eligible individual, that entity is generally required to pay all or part of the cost of the claim prior to Medicaid making any payment.



# California Partnership for Long-Term Care





# California Partnership for Long-Term Care (Partnership)

- Partnership policies: Private insurance companies offer long-term care insurance policies that meet certain requirements.
- Partnership policies offer Medi-Cal Asset Protection.
- Once insurance benefits are exhausted, purchasers may apply for Medi-Cal under modified eligibility rules that include an 'asset disregard.'
- In general, the amount of assets Medi-Cal will disregard is equal to the amount of the benefits received under the Partnership qualified policy.
- Benefits may also be excluded from Medi-Cal estate recovery.



# Medicare



# Medicare Overview

- Medicare is a federal health care program for people age 65 and older, younger people with disabilities, and people with End Stage Renal Disease.
- Medicare helps cover a variety of services such as hospital stays, doctor visits, medical supplies, and prescription drug coverage.
- Medicare includes Part A (Hospital Insurance), Part B (Medicare Insurance), Part C (Medicare Advantage/managed care), and Part D (Prescription Drugs).
- Medicare beneficiary cost-sharing varies by income (and Medi-Cal eligibility). Cost-sharing includes premiums, deductibles, and coinsurance.



# Medicare Population in California

- 6.6 million Californians
  - 5 million Medicare-only, 1.6 million dually eligible for Medicare and Medi-Cal
  - 90% age 65+, 10% under age 65



# Medicare Home Health Benefits

- Medicare covers part-time or intermittent skilled nursing care, plus physical therapy, occupational therapy, medical social services, part-time home health aide.
- Medicare does not cover 24-hour care at home, or homemaker/chore services, custodial or personal care, when that is the only care needed.
- Medicare covers home health for homebound beneficiaries, but home health is not available if beneficiary needs more than part-time or intermittent skilled nursing care.



# Medicare Skilled Nursing Facility (SNF) Benefits

- Medicare covers SNF care in certain conditions for up to 100 days. Includes SNF services needed for a hospital-related medical condition treated during qualifying 3-day inpatient hospital stay.
- Beneficiary costs in Original (Fee-for-Service) Medicare for SNF stays:
  - Days 1-20: \$0 for each benefit period
  - Days 21-100: \$185.50 coinsurance per day of each benefit period
  - Days 101 and beyond: all costs
- Medicare does not cover long-term care, also known as custodial care, in SNFs.