

SELECT COMMITTEE ON EFFICIENCY IN GOVERNMENT

Medicaid Application

Prepared by Sue O'Connell for the Medicaid Subcommittee
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Background

The Medicaid Subcommittee of the Select Committee on Efficiency in Government decided in November 2011 to take a closer look at the Medicaid application process, in order to determine if it could be made more efficient.

This briefing paper discusses the application process, the application forms, and the way in which changes in federal law may affect the application process. It also presents options for subcommittee consideration.

Application Process

To obtain Medicaid coverage, Montanans must meet the criteria set out in state and federal law. In general, Montana limits its Medicaid program to low-income children and pregnant women; low-income adults who are blind, disabled, or 65 years of age or older; and very low-income adults with dependent children. Applicants must meet income guidelines and — for some coverage groups — may not have assets that exceed certain limits.

Individuals may apply online, fill out a form and mail it to a county Office of Public Assistance, or fill out the form at a county office. They may be asked to provide proof of citizenship, residence, income, assets, and certain claimed expenses if proof isn't available through one of several electronic databases. People who cannot immediately provide all the information may turn in the first page of the form before filling out the rest of it. If they qualify for Medicaid, their eligibility dates back to the day they turned in the first page of the form.

Application Forms

People may apply for only Medicaid coverage or may fill out a combined application to find out whether they also qualify for the Supplemental Nutrition Assistance Program (SNAP), the Temporary Assistance for Needy Families (TANF) program, or both.

Children may also qualify for Medicaid through the Healthy Montana Kids (HMK) application process. HMK covers medical costs for children whose family income is at or below 250% of the federal poverty level. Funding for the program is provided through both Medicaid and the Children's Health Insurance Program (CHIP). Children who apply for HMK are covered by Medicaid if their family income is at or below 133% of the poverty level.

The Department of Public Health and Human Services (DPHHS) uses two types of Medicaid-only applications — one for long-term care and one for other medical services. The two applications contain many of the same questions, but differ as follows:

- *General Medicaid:* The application form is 9 pages long, with 35 questions that must be completed and 2 optional race/ethnicity questions. Twenty-six of the questions may be answered with a "yes" or "no" and require more information only if answered "yes."

- *Long-Term Care:* The application is 8 pages long and has 28 questions, including the 2 optional race/ethnicity questions. Nineteen of the questions may be answered with a "yes" or "no" and require additional information only if answered "yes." Two other questions regarding income and assets have multiple parts that require verification.

The forms contain one question that is not specifically required under federal or state laws or under regulations related to the eligibility requirements contained in the Montana Medicaid Plan. People who have lived in Montana for less than 1 year are asked to list the state they lived in previously. This may prevent duplication of benefits that they would then have to repay.¹

Montana requires verification of an applicant's income and, if applicable, assets. Applicants may not simply attest to the fact that their income or assets meet the eligibility requirements.

Errors in determining eligibility may have consequences for the state or an enrollee. The state is subject to federal penalties if its error rate exceeds a certain level. Enrollees who should not have qualified for coverage may have to repay benefits they received.

Implications of Changes in Federal Law

The Patient Protection and Affordable Care Act (PPACA) passed by Congress in 2010 will simplify the way in which Medicaid eligibility is determined for many people. Beginning in 2014, people who are not blind, disabled, or over the age of 65 will qualify if their modified adjusted gross income is at or below 133% of federal poverty level. In addition, their assets will not be considered as part of the process, so they will not need to provide proof of assets.

If the law withstands the legal challenges that are currently pending, the application process for many people will change to reflect the new, simplified approach required by PPACA.

Options for Subcommittee Consideration

After viewing the online application in January, the subcommittee may want to recommend to the full committee that it:

1. Find that the application process and forms could be simplified or changed to make the Medicaid application process more efficient.
2. Approve drafting of legislation to require changes to the application procedures or requirements, based on identified problems or concerns.
3. Recommend that DPHHS make specific changes to its application process or forms, based on problems or concerns identified by the subcommittee.
4. Find that the application process and forms meet legislative objectives in determining Medicaid eligibility and, as a result, recommend no changes to current procedures.
5. Make no findings or recommendations.
6. Pursue other options identified by the subcommittee.

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¹ Telephone interview with Linda Snedigar, Administrator, DPHHS Human and Community Services Division, Nov. 29, 2011.