

## OLR Backgrounder: Medicaid Eligibility

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### Issue

This report describes Medicaid income eligibility requirements in Connecticut and discusses recent changes. It updates [OLR Report 2015-R-0238](#).

### Summary

Medicaid is a state and federal program that provides medical assistance to low-income adults and families, as well as elderly or blind individuals and those living with disabilities. States operate their programs in compliance with federal law and broad program guidelines set by the federal Centers for Medicare and Medicaid Services (CMS). In Connecticut, the Department of Social Services (DSS) administers the program.

Generally, in order to be eligible for Medicaid, individuals and families must meet income eligibility requirements (i.e., have income and assets below certain levels) and, sometimes, categorical eligibility requirements (e.g., pregnancy or disability). DSS provides Medicaid through:

1. HUSKY A for children, parents, caretaker relatives, and pregnant women;
2. HUSKY C for individuals (a) age 65 or older or (b) age 16 to 65 and either blind or living with a disability;
3. HUSKY D for low-income individuals age 19 to 65;
4. the Medicare Savings Program for low-income Medicare enrollees; and
5. limited benefits programs related to tuberculosis and family planning.

Generally, with the exception of Medicaid waivers (which are beyond the scope of this report), Medicaid is an entitlement, meaning that those individuals who are eligible have a legal right to coverage and benefits as defined in Connecticut's state plan.

Recent legislation made and reversed cuts to income limits for HUSKY A and the Medicare Savings Program.

## HUSKY A

HUSKY A provides Medicaid coverage to:

1. parents and caretaker relatives with a household income of up to 150% of the federal poverty level (FPL) ([CGS § 17b-261\(a\)](#)), as amended by [PA 18-81 \(§ 48\)](#));
2. children under age 19 with household income of up to 196% of FPL ([CGS § 17b-261\(a\)](#)); and
3. pregnant women with household income of up to 258% of FPL ([CGS § 17b-277\(a\)](#)).

### *Enrollment*

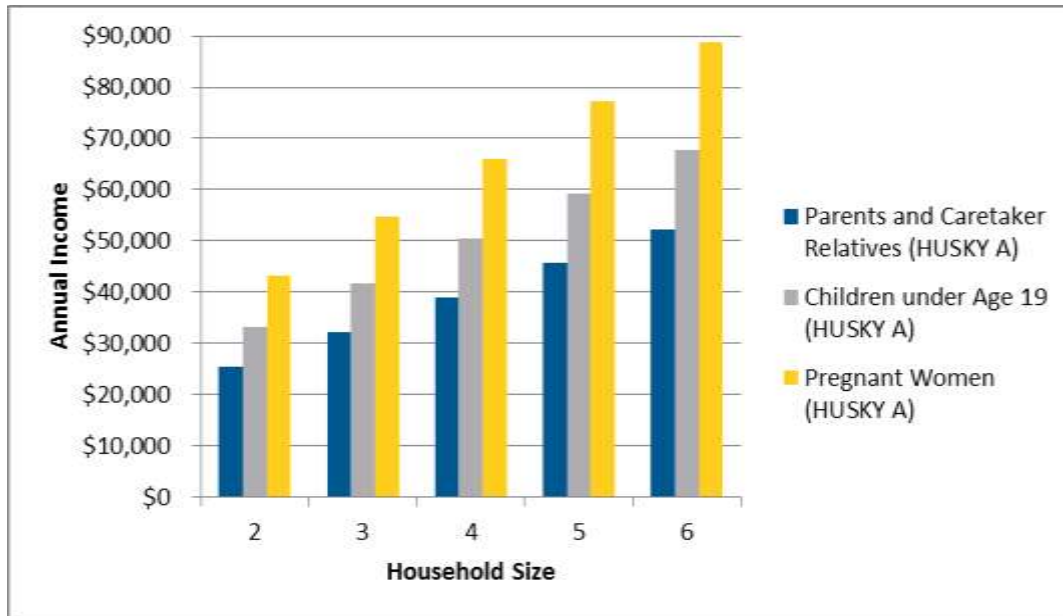
*According to DSS, as of March 2018, 460,271 people were enrolled in HUSKY A, more than any other HUSKY group.*

The FPL is a measure of income issued annually by the federal Department of Health and Human Services that takes into account the number of individuals residing in a household. In 2018, the FPL is \$12,140 for individuals, \$16,460 for a family of two, and \$20,780 for a family of three.

### *Income Limits*

Figure 1 shows HUSKY A annual income limits for each group according to household size. Federal law requires states to use modified adjusted gross income (MAGI) rules when calculating income for certain Medicaid coverage groups. (In general, the rules require states to determine eligibility based on an applicant's total income reported to the Internal Revenue Service plus tax-exempt interest, non-taxable Social Security benefits, and foreign income.) The MAGI methodology includes a 5% general income disregard (i.e., 5% of an applicant's income is not counted when determining his or her income). As a result, the income limits for these programs are effectively 5% higher than required by statute (i.e., 155% of FPL, 201% of FPL, and 263% of FPL, respectively).

Figure 1: HUSKY A Annual Income Limits (as of July 1, 2018)



Source: [DSS](#)

### ***Asset Limit***

An asset test or limit restricts benefit eligibility for households with assets (e.g., savings) in excess of a specified dollar value. There is no asset test for HUSKY A. Federal law generally prohibits asset tests for those Medicaid coverage groups whose eligibility is determined through MAGI rules ([42 CFR 435.603\(g\)](#)).

## **HUSKY C**

HUSKY C provides Medicaid coverage to adults who are age 65 and older, blind, or living with a disability ([CGS § 17b-290\(15\)](#)).

### ***Enrollment***

According to DSS, as of March 2018, 93,700 people were enrolled in HUSKY C.

### ***Income Limits***

HUSKY C income limits are not calculated with MAGI rules. They are based on the state’s family cash assistance benefit (i.e., Temporary Family Assistance (TFA)) for the region where the applicant lives ([CGS § 17b-261\(a\)](#)). Specifically, the income limit is 143% of the TFA benefit for the region with a standard monthly income disregard of \$339 for individuals and \$678 for couples. Figure 2 shows the TFA regions and Table 1 shows HUSKY C monthly income limits (including the disregard).

Figure 2: Connecticut's TFA Regions

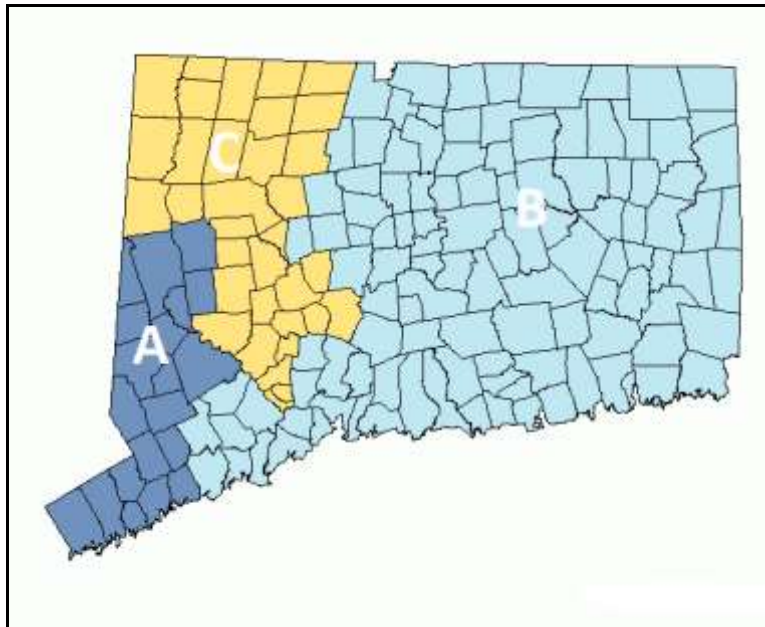


Table 1: HUSKY C Monthly Income Limits

	Region A	Regions B and C
Single Person	\$972.49	\$862.38
Couple	\$1483.09	\$1374.41

Source: [Department of Rehabilitation Services](#)

### ***Asset Limits***

Generally, the asset limit for HUSKY C is \$1,600 for individuals and \$2,400 for a married couple. Certain assets are disregarded (i.e., not counted when calculating the applicant's assets), including one car per household, certain burial expenses, home property, and certain life insurance policies. There are separate financial requirements for long-term care and Med-Connect (a program for individuals with disabilities who are working) that are beyond the scope of this report.

## HUSKY D

HUSKY D provides Medicaid coverage to low-income adults, ages 18 to 64, who are not pregnant ([CGS § 17b-290\(16\)](#)). This population is also sometimes referred to as the Medicaid expansion population as the state extended coverage to this group as part of the federal Affordable Care Act.

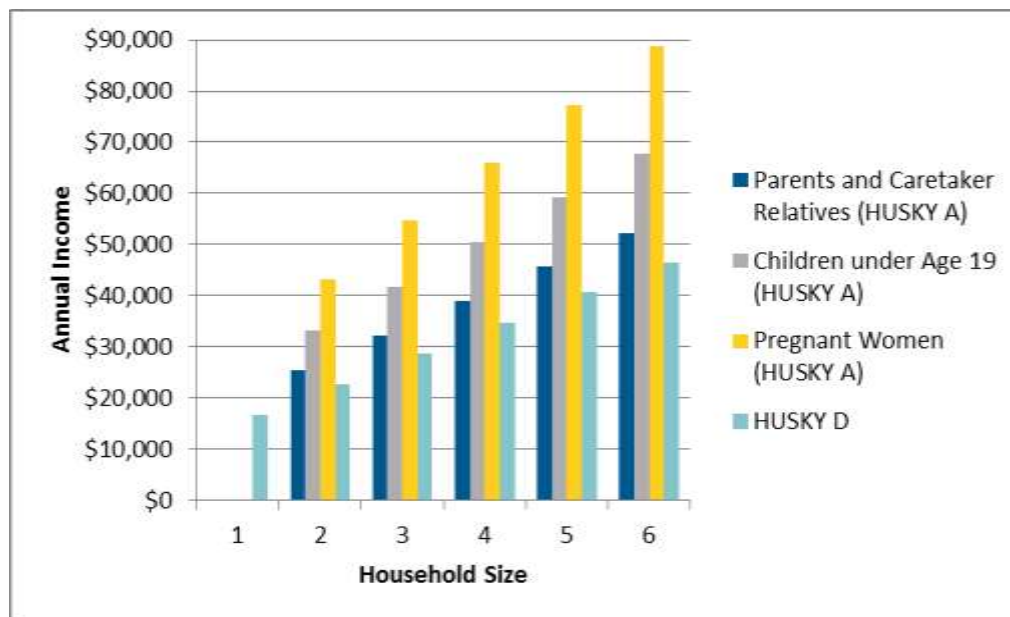
### *Enrollment*

According to DSS, as of March 2018, 239,442 people were enrolled in HUSKY D.

### *Income Limits*

Like HUSKY A, HUSKY D uses MAGI rules to calculate income eligibility. The HUSKY D income limit is 133% of FPL (effectively, 138% including the 5% income disregard). Figure 3 shows HUSKY D income limits, with HUSKY A included for reference.

Figure 3: HUSKY D Annual Income Limits (with HUSKY A)



Source: [DSS](#)

### *Asset Limits*

As mentioned above, federal law generally prohibits use of an asset test for those Medicaid groups that use MAGI rules to calculate income eligibility. HUSKY D, like HUSKY A, uses MAGI rules and thus does not have an asset test. (In 2012, DSS applied for a Medicaid waiver to allow for an asset test for this group, however CMS [denied](#) the request.)

# Medicare Savings Program

Despite its name, the Medicare Savings Program is one of the state’s Medicaid programs, and not part of the federal Medicare program that provides health coverage to seniors and people living with disabilities. It covers certain cost-sharing requirements for Medicare enrollees

***Enrollment***

*According to DSS, as of March 2018, 173,567 people were enrolled in the Medicare Savings Program*

with lower income levels. By law, the Medicare Savings Program provides three levels of assistance to Medicare enrollees based on the FPL ([CGS § 17b-256f](#), as amended by [PA 18-81 \(§ 13\)](#)). Table 2 shows the program levels and their respective benefits and income limits.

**Table 2: Medicare Savings Program Income Limits**

Program Level	Cost-Sharing Payments Covered	Income Limit	
		% of FPL	Annual Dollars (individual)
Qualified Medicare Beneficiary Program (QMB)	Medicare Part B Premium  All Medicare deductibles  Co-insurance	Less than 211%	Less than \$25,615
Special Low Income Medicare Beneficiary Program (SLMB)	Medicare Part B Premium	At or above 211% and less than 231%	Less than \$28,043
Qualifying Individual (QI)	Medicare Part B Premium	At or above 231% and less than 246%	Less than \$29,864

As shown in Table 2, the QMB tier has the lowest income limit and covers Medicare Part B premiums and all Medicare deductibles and co-insurance. The SLMB and QI tiers both cover only Medicare Part B premiums but have different income limits and financing structures. Like QMB, SLMB is part of a state’s Medicaid program and, as such, costs are shared between the state and federal government. QI costs are paid by the federal government up to a certain allocation level. States must cover the number of individuals that would bring spending up to that allocation level, but they may opt to cover additional individuals with state funds.

There is no asset limit for any level of the Medicare Savings Program in Connecticut.

## Other Limited Benefits Coverage Groups

In 2010, DSS received [CMS approval](#) to expand its Medicaid program to provide tuberculosis (TB)-related services to those with TB who do not otherwise qualify for Medicaid generally ([CGS 17b-278f](#)). There are no income or asset limits for this coverage group, but recipients must be uninsured or underinsured. [Covered services](#) include respiratory therapy, limited pharmacy coverage, and non-emergency medical transportation.

In 2012, DSS also received approval for a Medicaid State Plan Amendment to cover family planning services for individuals with income up to 263% of FPL (including the 5% income disregard). [Covered services](#) include comprehensive physical exams, screening and treatment for sexually transmitted diseases, and contraceptive services and supplies. There is no asset limit for this coverage group.

## Recent Legislation

### *HUSKY A Eligibility for Parents and Caretakers*

The legislature reduced the HUSKY A income limit for non-pregnant adults (i.e., parents or caretakers) twice in the last three years, though it reversed the second cut in 2018. [PA 15-5, June Special Session \(JSS\), § 370](#), reduced the income limit from 201% of FPL to 155% of FPL, effective August 1, 2015. [PA 17-2, JSS, §§ 138 & 139](#), further reduced the income limit to 138% of FPL, effective January 1, 2018, but [PA 18-81 \(§ 48\)](#) reversed this cut, raising the income limit back to 155% of FPL, effective July 1, 2018.

An income limit decrease typically results in decreased enrollment. However, under federal law, Medicaid enrollees who lose Medicaid coverage due to earned income are eligible for a year of transitional medical assistance. Thus, it takes a year before the full effect of a decrease in income limits is felt in enrollment numbers.

### *Medicare Savings Program*

Several bills in 2017 and 2018 affected income eligibility for the Medicare Savings Program. [PA 17-2, JSS, § 50](#), decreased Medicare Savings Program income limits, but [PA 17-1, January Special Session](#), delayed that increase and PA 18-81, § 13, ultimately reversed it. As a result of legislative and executive branch delays in implementing the cut, MSP income limits were never affected in practice and remained at their current levels despite the legislative changes.

## Resources

Department of Rehabilitation Services, [“2018 Benefits Quick Guide.”](#) July 2018.

DSS, [“Connecticut Medical Assistance Program limited Eligibility Group Coverage Grid”](#) January 1, 2017.

DSS, [“Measuring our Success: Eligibility Services Report – 1<sup>st</sup> Quarter 2018.”](#) May 11, 2018.

CMS, [Letter to DSS Commissioner.](#) March 1, 2013.

CMS, [Letter to DSS Commissioner.](#) September 17, 2010.

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