Medicaid Retroactive Coverage: What’s at Stake for Older Adults When States Eliminate this Protection?

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Housekeeping

• All on mute. Use Questions function for substantive questions and for technical concerns.

• Problems with getting on to the webinar? Send an e-mail to trainings@justiceinaging.org.

• Slides and a recording are available at Justice in Aging - Advocates Resources - Trainings: justiceinaging.org/resources-for-advocates/webinars. See also the chat box for this web address.
Justice in Aging is a national organization that uses the power of law to fight senior poverty by securing access to affordable health care, economic security, and the courts for older adults with limited resources.

Since 1972 we’ve focused our efforts primarily on fighting for people who have been marginalized and excluded from justice, such as women, people of color, LGBTQ individuals, and people with limited English proficiency.
To achieve Justice in Aging, we must:

- Acknowledge systemic racism and discrimination
- Address the enduring negative effects of racism and differential treatment
- Promote access and equity in economic security, health care, and the courts for our nation’s low-income older adults
- Recruit, support, and retain a diverse staff and board, including race, ethnicity, gender, gender identity and presentation, sexual orientation, disability, age, economic class
AARP

AARP, with its nearly 38 million members in all 50 States, the District of Columbia, and the U.S. territories, is a nonpartisan, nonprofit, nationwide organization that empowers people to choose how they live as they age.

PPI

The Public Policy Institute (PPI) is responsible for public policy research and analysis at AARP. Founded in 1985, PPI’s team of experts develop policy and policy solutions that address current AARP priorities and emerging issues that will affect older adults in the future.
What is Retroactive Coverage?

- Retroactive coverage allows Medicaid applicants to receive Medicaid for care and services for up to 3 months before the month a person actually applies for Medicaid.

- Eligible for Medicaid at time care and services were provided.
- Care and services received must be covered under the state’s Medicaid plan.
Meet Joe...

April
Joe is hospitalized

May
Retroactive coverage period

June

July
Joe submits Medicaid application
How Do People Qualify for Retroactive Coverage?

- Individual must meet the state’s Medicaid eligibility requirements for each of the three months separately.
- Once determined eligible for retroactive coverage:
  - All states will pay the provider for unpaid bills.
  - Some states will reimburse the individual for paid bills if they paid their medical bills out of pocket.
- States can use different methods to determine the coverage period.
What are the Benefits of Retroactive Coverage? (1 of 2)

Older Adults and Family Caregivers

• Protects from medical debt and financial ruin after an emergency or sudden illness
• Helps with high costs of long-term services and supports (LTSS)
• Relieves financial burden on low-income family caregivers
What are the Benefits of Retroactive Coverage? (2 of 2)

<table>
<thead>
<tr>
<th>Providers</th>
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</thead>
<tbody>
<tr>
<td>• Lessens uncompensated care burden</td>
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<tr>
<td>• Supports access to care by ensuring that providers will be paid</td>
</tr>
<tr>
<td>• Encourages providers to treat uninsured</td>
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</tbody>
</table>
Why is it Important to Protect Retroactive Coverage?

**MYTH**

- People can always apply for Medicaid as soon as they become eligible

**REALITY**

- People do not know they might be eligible for Medicaid until a health emergency
- People cannot always apply for Medicaid as soon as they become eligible
Key Findings from Survey of States
16 States Have Eliminated Retroactive Coverage

- States must apply for a “Section 1115” demonstration waiver to eliminate or change the retroactive coverage benefit
- Federal Government (CMS-Centers for Medicare & Medicaid Services) has granted such waivers in at least 16 states
5 States Exclude Retroactive Coverage for Adults Age 65+

• No retroactive coverage for any older adults in Arizona, Florida, Tennessee

• Delaware & Iowa provide retroactive coverage for nursing facility residents only
Some States Exclude Retroactive Coverage for Other Coverage Groups

- 9 States eliminate retroactive coverage for some groups but **not** for individuals age 65+ or anyone needing LTSS
  - Arkansas, Indiana, Kentucky, Massachusetts, Maryland, New Hampshire, Oklahoma, Rhode Island, Utah
- **Maine & New Mexico** have recently withdrawn waivers of retroactive coverage
# States With Waivers of Retroactive Coverage

<table>
<thead>
<tr>
<th>State</th>
<th>Earliest Day Coverage Can Start Under Waiver</th>
<th>Waiver Applies to Adults Through Aged/Blind/Disabled Pathway</th>
<th>Waiver Applies to Expansion Adults</th>
<th>Waiver Applies to Residents of Nursing Facilities/Institutions</th>
<th>Waiver Applies to HCBS Recipients</th>
<th>Waiver Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td>First day of month of application</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>In effect</td>
</tr>
<tr>
<td>Arkansas</td>
<td>First day of month of application</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Vacated by Court</td>
</tr>
<tr>
<td>Delaware</td>
<td>First day of month of application for expansion enrollees; Application date for all other populations</td>
<td>Yes (except Medicare Savings Program)</td>
<td>Yes</td>
<td>No (individuals in hospital for 30-consecutive days also excluded)</td>
<td>Yes (except for PACE)</td>
<td>In effect</td>
</tr>
<tr>
<td>Florida</td>
<td>First day of month of application</td>
<td>Yes</td>
<td>N/A</td>
<td>Yes</td>
<td>Yes</td>
<td>In effect (expires June 30, 2020)</td>
</tr>
<tr>
<td>Indiana</td>
<td>First day of month of application</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>In effect</td>
</tr>
<tr>
<td>Iowa</td>
<td>First day of month of application</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>In effect</td>
</tr>
</tbody>
</table>
Why Do States Eliminate this Protection?

States put forward 4 reasons:

1. Align Medicaid with commercial insurance
2. Cost savings to the state
3. Retroactive benefit is not utilized
4. Unnecessary because Marketplace coverage & presumptive eligibility are available
What are the harms of eliminating retroactive coverage?

• Exposes Seniors & Families to Crushing Debt
• Prevents Access to Necessary Care
• Denies Medicare Affordability Assistance to Low-Income Seniors
• Weakens Provider Networks & Increases Uncompensated Care
Medical Debt

• **Results from unexpected high costs**
  - 2/3 people who have unaffordable medical bills say those bills result from an accident or hospital stay

• **Medicaid retroactive coverage is designed specifically to prevent this**

• **Leads to chronic stress, poorer health**
Prevents Access to Long-Term & Other Care

• Nursing facilities require assurance that payment will be made before admitting a new resident

• Without retroactive coverage, facilities may delay admission
  - Longer & unnecessary hospital stays
  - Endangers health & well-being of older adults who don’t get the services they need

• Other treatment may be delayed until Medicaid application is approved
Denies Help with Medicare Costs

- Medicaid pays Medicare premiums for low-income beneficiaries through the Medicare Savings Programs
- Seniors in Arizona, Iowa, Florida, and Tennessee cannot get help with retroactive Medicare premiums
- Three months of retroactive Part B premiums is a benefit of over $400—often 10% or more of income
Harms Providers & Communities

• **Increases uncompensated care**
  - Especially harmful to rural hospitals

• **Decreased revenue leads to provider shortages**
  - Hospitals would lose $13.3 billion in revenue if retroactive coverage were eliminated nationwide

• **Harms access to care for everyone**
Real Impact

- John, an uninsured, low-income patient, stayed in a Miami hospital for 86 days and incurred over $1 million in charges.
- John’s Medicaid application took 65 days to complete but the Florida Medicaid agency approved the application and covered bills for the previous 90 days.
- If Florida’s retroactive coverage waiver had been in effect, John would have had enormous debt & the hospital would have received no reimbursement.
- The hospital estimates eliminating retroactive coverage will cost it at least $4 million a year in uncompensated care, and likely far more.
Resources

• Medicaid Retroactive Coverage: What’s at Stake for Older Adults When States Eliminate this Protection?
  - Issue Brief
  - Fact Sheet

• AARP Public Policy Institute Report on The New Medicaid Waivers: Coverage Losses for Beneficiaries, Higher Costs for States
  - Report
  - Blog

• Justice in Aging Report: Medicaid Work Requirements & Family Caregivers

• JusticeinAging.org & AARP.org/PPI
Questions?

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