

## **Which Medicaid Program For The Medicare Beneficiary?**

**A staff guide to determine which eligibility category is best for the Medicaid applicant.**

Medicare Part D dramatically changes coverage options for the Medicaid applicant. New Medicaid applicants still need to make a choice about the type of coverage they want to pursue. Since drug coverage will no longer be provided by Medicaid, they may be satisfied with coverage under QMB or LMB instead of full Medicaid. Listed below are some important questions to consider when discussing these options with the applicant.

### **1. What Does QMB/LMB provide a Medicare Beneficiary?**

Like a full dual eligible, an individual covered only under QMB, LMB or Expanded LMB is deemed eligible for Medicare Part D Subsidy. A Medicare beneficiary seeking Medicaid for help with prescriptions may be best served by QMB or LMB only. Consider the full Medicaid eligible may have smaller copayments (\$0 - \$5) than the partial dual eligible (\$2 - \$5). But, there are no added coverage benefits under Medicare Part D for a full dual eligible over a partial dual eligible. Both populations are subject to auto enrollment into a plan if they do not choose one on their own.

### **2. What if the primary need is for prescription drug coverage?**

Unless the drugs the applicant needs are covered under the small list of excluded prescriptions (e.g. benzodiazepines and barbiturates), full Medicaid is probably not a good option for the Medicare beneficiary. However, additional healthcare needs must be considered and we must keep in mind that every situation is unique.

### **3. What about long term care services?**

Medicare will not provide expanded coverage of long term care services (institutional or HCBS). Persons seeking coverage for these services need full Medicaid.

### **4. What about other healthcare services?**

Consider whether other health services are covered by Medicare Part A or Part B. If so, the likelihood of meeting a Medically Needy spenddown, and becoming a full dual eligible, is greatly reduced. Keep in mind only non-covered Medicare Part D expenses are allowable against the spenddown.

**Medicare covered Services:** Most inpatient and outpatient hospital, physician and laboratory fees are covered by Medicare, but copayments and deductibles still apply. People with few out-of-pocket expenses may not meet a spenddown in the future. This possibility should be explored with the applicant.

**Non-Medicare covered services:** Services provided by a CMHC or CDDO may be non-covered by Medicare yet covered by Medicaid. Persons who have these expense may still wish to pursue a Medically Needy spenddown. Other non-covered Medicare expenses include eye exams and glasses, and dental expenses.

### **5. How will Medicare Part D impact Estate Recovery?**

Estate Recovery does not apply to persons with only QMB, LMB or Expanded LMB coverage. It does apply to full Medicaid coverage for persons over the age of 55 or living in an institution (note exceptions listed in KEESM). The applicant should consider this fact when making a choice about coverage. In addition, Estate Recovery will no longer recover the costs of prescription drugs for Medicare beneficiaries, as those will be covered by Medicare.