



MAGI and AI/AN Property and Medicaid Estate Recovery

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Overview – MAGI and Indian Trust Income

What we will cover today:

1. What is MAGI?
2. When is MAGI income used for eligibility determinations?
3. Are AI/AN monies protected in MAGI eligibility determinations in the Marketplace/Medicaid/CHIP?
4. Is the calculation the same in Medicaid/CHIP as in the Marketplace?



What is MAGI?

- **MAGI = Modified Adjusted Gross Income**
- **MAGI is a new, simpler way to determine eligibility.**
- **Resources are not considered in MAGI eligibility determinations.**



When is MAGI income used for Eligibility Determinations?

- Marketplace Eligibility
- Medicaid and CHIP – Family/Children’s Coverage Groups

- Traditional Medicaid methods are still used for determining eligibility for Aged/Disability Medicaid Coverage Groups



Are AI/AN monies protected in MAGI eligibility determinations in the Marketplace/Medicaid/CHIP?

- Marketplace considers only TAXABLE AI/AN Monies
 - Does not consider trust settlement payouts, IIM account distributions, any other AI/AN monies not subject to federal income tax.
- Medicaid/CHIP
 - ARRA provides exemptions for many types of property that may produce money for an AI/AN applicant.
 - Casino earnings paid out to AI/AN are counted for Medicaid.



Are AI/AN monies protected in MAGI eligibility determinations in the Marketplace/Medicaid/CHIP?

ARRA 5006 Exemptions for Medicaid/CHIP

Income:

- Property held in trust or under the supervision of the Secretary of Interior (BIA)
- IIM Accounts, restricted or unrestricted
- Monies paid from exempt resources are not considered income.

Are AI/AN monies protected in MAGI eligibility determinations in the Marketplace/Medicaid/CHIP?

ARRA 5006 Exemptions for Medicaid/CHIP

Income:

- Property located on a Reservation or within the recent boundaries of a former reservation including real property and improvements
- Ownership Interests in
 - Rents
 - Leases
 - Royalties
 - Usage Rights



Are AI/AN monies protected in MAGI eligibility determinations in the Marketplace/Medicaid/CHIP?

ARRA 5006 Exemptions for Medicaid/CHIP

Income:

- Also excluded are items with religious, spiritual, traditional or cultural significance or used to support subsistence or a traditional lifestyle according to tribal law or custom.

*** Note: While not income, monies retained as cash from these exempted sources may be considered as resources for Aged/Disabled Coverage Groups.**



Is the calculation the same in Medicaid/CHIP as in the Marketplace?

- Monies NOT taxable are not counted for the Marketplace
- Medicaid exempts additional cultural/traditional items from income



Overview – Medicaid Estate Recovery

What we will cover today:

1. What is Medicaid Estate Recovery?
2. Who is subject to Medicaid Estate Recovery?
3. What services are subject to Estate Recovery?
4. What properties of American Indians and Alaska Natives (AI/AN) are exempt from Medicaid Estate Recovery?



What is Medicaid Estate Recovery?

- **Medicaid is a federal-state program that provides health coverage for low-income people**
- **Federal law requires estate recovery for some Medicaid recipients age 55 and over who received long term care services.**



Who is subject to Estate Recovery?

- **The SSA requires State Medicaid programs to file claims against the estates of certain recipients who have died.**
 - Beneficiaries who were 55 or older who received long term care
 - Beneficiaries of any age who were permanently institutionalized, in some States.



What Services are Recovered?

- States **must** seek to recover:
 - Nursing Facility Services
 - Home and Community Based Services
 - Related hospital and prescription drug services
- States **have the option** of recovering any other Medicaid service in their estate claims.



How Do Applicants Know if Estate Recovery Applies to Them?

- **Estate Recovery may be listed on the application as a condition of participation in the Medicaid program.**
- **If Estate Recovery is not listed on the application, States must make the information available to applicants and beneficiaries in some other way, such as a letter or brochure.**



What properties of AI/ANs are Exempt from Estate Recovery?

- Property, including real property and improvements:
 - Held in trust
 - Subject to federal restrictions or otherwise under the supervision of the Secretary of Interior
 - Located on a reservation or within the most recent boundaries of a former reservation.



What properties of AI/ANs are Exempt from Estate Recovery?

- Ownership interests in rents, leases, royalties or usage rights or resulting from the exercise of federally-protected rights.
 - Extracting natural resources
 - Harvesting timber or animals
 - Harvesting fish or shellfish
 - Harvesting plants



What properties of AI/ANs are Exempt from Estate Recovery?

- Ownership interests in or usage rights that have unique religious, spiritual, traditional or cultural significance.
- Rights that support subsistence or a traditional lifestyle according to applicable tribal law or custom.
- * AI/ANs can retain and pass on these properties, including bank accounts.



Need Assistance?

CONTACTS:



Regional Office Native American Contacts (NACs). See attached contact sheet.

- <http://www.cms.gov/Outreach-and-Education/American-Indian-Alaska-Native/AIAN/index.html>



Questions?

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