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## General Information Memorandum

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**ISD-GI 13-46**

**TO: ISD Employees**

**FROM: *MM* Marilyn Martinez, Acting Director, Income Support Division**

**RE: Preparing for the Affordable Care Act, MAGI, Medicaid Expansion and Centennial Care**

**DATE: September 25, 2013**

The Affordable Care Act (ACA) is the nation's health care reform law passed by Congress and signed into law by the President in March 2010. The ACA will expand health coverage to 30 million Americans. Most provisions of the ACA will take effect on January 1, 2014. The Act:

- 1) Closes a gap in the Medicaid program by offering health coverage for adults without disabilities who don't have dependent children (the new Other Adult category). Most recipients in the Other Adult category will be part of New Mexico's Centennial Care program.
- 2) Offers affordable health insurance options for consumers who are not Medicaid eligible through tax subsidies or credits to help lower income people pay for health insurance.
- 3) Uses new rules for calculating income when determining eligibility for Medicaid and subsidized health insurance through Exchanges (also called Health Insurance Marketplaces).

### Centennial Care

Centennial Care is the new name for New Mexico's Medicaid managed care program. Starting on January 1, 2014, Centennial Care will cover physical health, behavioral health, long-term care and community benefits (these are services like adult day health, respite care and personal care services that help to keep people in their homes and communities).

Centennial Care will be offered through four managed care organizations (MCOs). An MCO is an insurance company that contracts with providers and medical facilities to provide health care services to its members. The four MCOs that will be providing Centennial Care services are:

- Blue Cross Blue Shield of New Mexico
- Molina Health Care of New Mexico, Inc.
- Presbyterian Health Plan, Inc.
- United Health Care Community Plan of New Mexico

Existing Medicaid recipients will be asked to choose a new Centennial Care MCO starting October 15, 2013. The Medical Assistance Division (MAD) will send a letter to recipients informing them about this selection process. If recipients haven't chosen an MCO by December 1, they will be auto-assigned to an MCO. (All recipients, whether they selected an MCO during open enrollment or were auto-assigned, will have the opportunity to switch their MCO starting in January.)

Native American Medicaid recipients who are dually eligible for Medicaid and Medicare, or who are receiving long-term care, must enroll with a Centennial Care MCO. If they do not make a selection, they will be auto-assigned. Other Native American recipients can choose to enroll with an MCO but are not required to do so, in which case they will receive their services through the Medicaid fee-for-service (FFS) payment system.

#### **What does Centennial Care mean for the Income Support Division (ISD)?**

- Starting October 15, existing Medicaid recipients will receive letters about the new MCO selection process and may select their Centennial Care MCO.
- Medicaid recipients will be auto-enrolled in a Centennial Care MCO on December 1, if they haven't chosen one prior to that date.
- For additional information, refer recipients to the Centennial Care website at [www.centennialcare.net](http://www.centennialcare.net) or have them call the Medicaid Solutions Center at 1-888-997-2583.
- Plans are also underway to add a field in the SPEN on December 1 to allow an individual to select an MCO at the time of application.

#### **The New Mexico Health Insurance Exchange (NM HIX)**

Health Insurance Exchanges (also called Marketplaces) are a requirement of the ACA. The NM HIX is a centralized location where individuals can compare health insurance plans and enroll in a plan that best meets their needs. Individuals will also be able to apply for financial assistance, such as tax credits, that will help them pay for their health insurance through the NM HIX. The Marketplace will provide access to health insurance coverage that will start on January 1, 2014. Individuals can begin applying for coverage through NM HIX starting October 1, 2013. The enrollment period for the NM HIX lasts through March 31, 2014.

New eligibility rules enacted under the ACA make people with incomes up to 250% of the federal poverty level (FPL) eligible for reduced cost sharing (e.g., coverage with lower deductibles and copayments) paid for by the federal government. For people with somewhat higher incomes (up to 400% of poverty), the ACA provides tax credits that reduce premium costs. The premium tax credits and cost-sharing assistance will also begin in 2014. Before an individual can be determined eligible for these subsidies and/or credits he or she must be assessed for potential Medicaid eligibility.

#### **What does NM HIX mean for ISD?**

- ISD will see an increase in the number of Medicaid applications beginning October 1, 2013. Applications for individuals who are assessed by NM HIX as potentially

Medicaid-eligible will be transferred electronically to HSD for a full Medicaid determination.

- The Human Services Department will not be responsible for NM HIX or enrolling individuals into health insurance affordability programs.
- Individuals can apply for NM HIX programs at [www.bewellnm.com](http://www.bewellnm.com) or call 1-855-99NMHIX (996-6449) with questions.

### Medicaid Expansion

The ACA allows states to expand the Medicaid program to adults with income up to 138% FPL, beginning January 1, 2014. Earlier this year, Governor Martinez decided to expand Medicaid in New Mexico. The expansion provides Medicaid eligibility to adults who are at or below 133% of the Federal Poverty Level (plus a disregard equal to 5% of 100% of the FPL for the applicable family size). Most adults who qualify for this category will receive their Medicaid services through a Centennial Care MCO. Native Americans who are eligible through the expansion may enroll in Centennial Care or receive services through FFS Medicaid.

### **What does Medicaid Expansion mean for ISD?**

- ISD will see an increase in the number of Medicaid applications beginning October 1, 2013, as the newly eligible population will be applying for coverage that begins on January 1, 2014.
- Workers should encourage individuals to apply for the **new Medicaid categories** through YES-New Mexico at [www.yes.state.nm.us/selfservice](http://www.yes.state.nm.us/selfservice).
- As part of the ACA, all states were required to modify their applications. New Mexico's new streamlined application can be used by clients who apply for either Medicaid, the Marketplace or for other public assistance programs. Unfortunately, this will make our ISD 100 Application much longer as new information is required. **The new application will be sent to your office by October 1, 2013.** All existing ISD 100 Applications must be removed and replaced with this new streamlined application.
- Effective October 1, ASPEN will be modified to accept new data elements (i.e., questions about who is listed on the client's Federal Tax Return) from the new streamlined application.
- ASPEN is also being modified so that applicants that are denied Medicaid will have their information electronically transferred to the federal Health Insurance Marketplace, so they can be assessed for health insurance affordability programs and tax subsidies/credits.
- In addition, as a workload relief strategy, the Department is planning to automatically run several groups through the MAGI rules established in ASPEN:
  - In December 2013, the current SCI recipients will be run through the new MAGI rules. If they don't qualify for the new expansion category, ASPEN will close their benefits effective December 31st and they will be referred to the HIX.
  - In January 2014, Family Planning recipients will also be run through the new MAGI rules in ASPEN and sent to the HIX if denied a new category of eligibility.
  - Both SCI and Family Planning recipients who are determined eligible for Medicaid under the new MAGI rules will have eligibility starting January 1, 2014.

## Modified Adjusted Gross Income (MAGI)

Under the Affordable Care Act, eligibility for Medicaid and subsidized health insurance through the Marketplace will use new rules for calculating household income. It's called MAGI or Modified Adjusted Gross Income. It is similar to the way income is calculated for tax purposes. After January 1, 2014, these new income rules may make a household eligible for Medicaid that wouldn't have been prior to this change. These new MAGI rules will only be programmed in ASPEN. ISD2 will not be modified with these changes.

### **What does MAGI mean for ISD?**

- Individuals will be encouraged to apply for Medicaid using YES-New Mexico (YES-NM). YES-NM was designed to collect the data elements needed to process a case using the MAGI rules. The North and South Processing Centers will be the main hubs to process these new applications.
- ISD2 does not have the capability to process MAGI eligibility determinations. Offices that are not converted to ASPEN will be required to process these new Medicaid applications in ISD2. Then beginning October 1, 2013, ISD2 will begin daily interim conversions for all Medicaid applications that have been evaluated for full coverage Medicaid in ISD2 and have been denied Medicaid based on income and/or resources or have been approved for Family Planning or Pregnancy Related Medicaid (035 F & P only). These cases will be converted to ASPEN for MAGI screening. If the MAGI screening finds the individual potentially eligible for a Medicaid expansion category the system will hold their application and process their case for benefits that begin on January 1, 2014. If not eligible, ASPEN will electronically transfer their case information to the federal exchange so individuals may apply for tax subsidies or credits and purchase insurance on the exchange. (In both cases the applicant will receive a notice indicating either that they will be eligible effective January 1, 2014 as long as household circumstances do not change or that their application will be referred to the exchange. Certain individuals will just get a Medicaid denial; for example, they do not meet ACA residency or citizenship criteria.)
- Wave 3 offices have had an additional 42 staff trained in ASPEN and can use these staff, as well as their YES, to process new applications in ASPEN.

ISD will be experiencing a tremendous amount of change between now and January 1. Summarized is a high level timeline that describes these changes:

September 23, 2013	Wave 1 Offices start using ASPEN
October 1, 2013	<ul style="list-style-type: none"><li>• New streamlined application becomes effective</li><li>• YES-NM website goes live; individuals can apply online</li><li>• New data fields included in ASPEN to accommodate change in streamline application</li><li>• New MAGI rules programmed in ASPEN</li><li>• New applications being received for Medicaid Expansion</li><li>• Annual adjustments to the Federal Poverty Guidelines, maximum and minimum allotments, deductions and standards (MR-13-20)</li></ul>

	<ul style="list-style-type: none"> <li>NM HIX operational, people will be able to shop for insurance</li> </ul>
October 15, 2013	Existing Medicaid recipients will be able to choose a Centennial Care managed care organization (MCO)
November 1, 2013	SNAP benefits are being reduced across the board on November 1, 2013 due to the removal of the ARRA increases (MR 13-19)
November 18, 2013	Wave 2 offices start using ASPEN
December 1, 2013	<ul style="list-style-type: none"> <li>Medicaid recipients will be auto-enrolled in a new Centennial Care MCO, if they haven't chosen one prior to that date</li> <li>New field added to ASPEN and YES-NM to collect MCO information</li> </ul>
December 31, 2013	State Coverage Initiative (SCI) sunset
January 1, 2014	<ul style="list-style-type: none"> <li>Centennial Care is operational</li> <li>Medicaid Other Adult expansion category becomes effective</li> </ul>
January 21, 2014	Wave 3 offices start using ASPEN
January 31, 2014	Family Planning program supports

To assist with these changes, mandatory training on ACA and Centennial Care will be available on blackboard and a series of webinars will be scheduled to provide updates as information becomes available.

If you have any questions regarding this IPP, please contact Constance Averett at [constance.averett@state.nm.us](mailto:constance.averett@state.nm.us) or 505-827-7219.

RESCINDED