Poverty and Opportunity Training Forum

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HCA Overview

- The Office of Health Care Advocate (HCA)
- The HCA is part of Vermont Legal Aid.
- Eight advocates and a helpline director answer a health care helpline, assisting Vermonters with issues and problems related to health care access.
- All Vermonters are eligible for help—no income restrictions apply. **<u>We offer free help.</u>**
- Helpline number: 1-800-917-7787

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Learning Objectives

Eligibility and coverage for health care programs:

- Medicaid for Children and Adults, Medicaid for Aged Blind and Disabled
- Dr. Dynasuar & Immigrant Health Insurance Plan
- H.R.1 impacts in 2026
- Vermont Health Connect
  - OEP and SEP Rules
  - H.R. 1 impacts
- Medicare Savings Programs & VPharm
  - Eligibility Expansion for MSP

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H.R.1

- H.R.1 was the federal bill passed in 2025. Often referred to as the "big beautiful bill."
- It changes Medicaid, Medicare and APTC eligibility in the coming years.
- Many changes will result in the loss of eligibility and more procedural barriers in the application process.
- In this training, we are only going to highlight some of the 2026 and a few 2027 changes.
- More changes happen in 2027 and going forward.

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Helpful Acronyms

- ACA: Affordable Care Act
- APTC: Advance Premium Tax Credit
- Dr D: Dr Dynasaur, coverage for children up to 19 and pregnancy
- ESI: Employer Sponsored Insurance
- FPL: Federal Poverty Limit
- GMC: Green Mountain Care
- IHIP: Immigrant Health Insurance Plan
- LIS: Low Income Subsidy, also called Extra Help
- MAGI: Modified Adjusted Gross Income
- MABD: Medicaid for the Aged, Blind and Disabled (non-MAGI)
- MCA: Medicaid for Children and Adults (MAGI)
- MSP: Medicare Savings Program
- OEP: Open Enrollment Period
- VHC: Vermont Health Connect
- PIL: Protected Income Limit
- SEP: Special Enrollment Period
- SPAP: State Pharmacy Assistance Program
- QHP: Qualified Health Plan

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Vermont Health Care Programs

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Medicaid for Children and Adults

This type of Medicaid was created with the passage of the Affordable Care Act. It has income requirements but no resource requirements.

- Age 19 to 65
  - You **cannot** be eligible for Medicare.
- Income rules: MAGI: Modified Adjusted Gross Income
- No resource limits
- Household size: generally based on tax household with some exceptions
- Apply through VHC (online, over the phone, or paper application)
- Comprehensive coverage
  - Dental (limited to $1,500, plus two preventive visits, per year for adults 21 and over) (Note young adults from 19 to 20 yrs old, still have unlimited dental)
  - $0 - $3 copays
- No premium

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Modified Adjusted Gross Income

Medicaid for Children and Adults, Dr. Dynasaur, and plans on Vermont Health Connect use “MAGI”

Based on your taxable income

- Adjusted gross income (AGI)
  - Remember your AGI excludes some income such as pre-tax 401 (K) and IRA contributions; HSA contributions, and student loan interest deduction
- PLUS, some other non-taxable income
  - Add back in non-taxable Social Security benefits.

Some income that used to be counted to determine eligibility is no longer counted.

- Veterans’ Benefits, Workers’ Compensation, Supplemental Security Income (SSI) are some examples of income sources that **no longer** count as income. (Remember that MABD Medicaid has different income rules)

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Dr. Dynasaur

- Children up to age 19
- People who are pregnant.
- Coverage period includes pregnancy plus 12-months post-partum.
- If you are on Dr. D for pregnancy, your newborn is deemed eligible for Dr. D at birth.
- Income rules: MAGI & No resource limits
- Apply through VHC (online, over the phone, or paper application)
- Continuous Eligibility (more on the next slide)
- More benefits than regular MCA:
    - Unlimited dental coverage
    - No copays
    - No premiums

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Dr. D continuous coverage

Dr. D has ***continuous coverage*** provisions.

- If your household income goes above the Dr. D limit during pregnancy or the post-partum period, you will not lose coverage.
- For kids, if the household income goes above the Dr. D limit during the 12-month period after your annual renewal, you will stay on coverage. Dr. D reviews are completed annually.
- If you move out of state or request a voluntary termination, the coverage will be closed.

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Immigrant Health Insurance Plan

For kids up to 19 and pregnant people who are ineligible for Medicaid due to immigration status.

- **Income limits:** the same as Dr. D: 213% FPL for pregnancy and 317% FPL for kids
- **Residency**: Must be a Vermont resident
- **Immigration Status**: Must be ineligible for Medicaid due to immigration status.
- **Categorical**: Kids up to 19 and pregnant people
- **Insurance status**: Unlike Medicaid, if you have Minimum Essential Coverage, you will not be eligible for IHIP.

Immigrant Health Insurance Plan

IHIP covered services mirror Medicaid covered services, except no long-term care covered services.

- No premiums and covers medical, dental, prescription, transportation.
- IHIP is a state program. The state does not share enrollee information. However, many enrollees are also on Emergency Medicaid. Their children are also frequently on Dr. D. (which are state/federal programs)

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Emergency Medicaid

If you are not eligible for Medicaid due to immigration status and meet all other Medicaid requirements, Emergency Medicaid is an option.

- Emergency Medicaid coverage is **limited** to sudden onset medical conditions that will result in serious **jeopardy to health; impairment of bodily functions; or dysfunction of any bodily part,** without medical care (HBEE17.02 (d))
- Labor and Delivery is covered under Emergency Medicaid.
- Undocumented pregnant individuals can use the 205ALL MED to be screened for both <u>Emergency Medicaid and IHIP</u>.
- If you have Emergency Medicaid, your baby will be deemed eligible for one year of Dr. D at birth. (no need to do a separate application for the baby)

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H.R.1 Medicaid impacts 2026

On October 1, 2026, Medicaid eligibility will be limited to the following:

- Legal Permanent Residents (Green Card holders)
- COFA Migrants
- Certain Cuban and Haitian immigrants
- This impacts individuals who are on MCA, MABD, Medicaid for the Working Disabled, and MSPs.
  - **For example**, in January 2026 if you are a refugee from Sudan, you have a qualified immigration status to be eligible for Medicaid. On October 1, 2026, your immigration status will no longer qualify for Medicaid.
- The HCA is advising not to comply prematurely. Potential eligible enrollees can apply until the restriction is in place.
- **Important**: This restriction **DOES NOT** impact Dr. Dynasuar for kids or pregnancy or IHIP.

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Some Medicaid H.R.1 Jan 1, 2027

- Work Requirements and six-month reviews will start in 2027.
- Work requirements ("community engagement", is the term CMS uses) and six-month reviews will impact most adults in the MCA population. They do NOT apply to the MABD population.
- The rules about these changes have not been written yet.
  - There will be exemptions from the work requirements.
- We will discuss this in more detail at *next year's* training.
- Retro Medicaid will also be shortened
  - One month for MCA
  - Two months for MABD

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Vermont Health Connect (VHC)

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Vermont Health Connect (VHC)

Vermont’s health exchange launched in 2013 as part of the ACA. It is a state-based marketplace.

- Vermonters can purchase individual/family plans called Qualified Health Plans (QHPs).
- Most people qualify for subsidies to help pay premiums
- Currently Blue Cross Blue Shield (BCBSVT), MVP, and Northeast Delta Dental sell plans on Vermont Health Connect.
- You can also direct-enroll in a full-price plan through Blue Cross or MVP. You can't get subsidies if you direct-enroll. You can also direct enroll with Delta Dental.

Qualified Health Plans

Any age. But **almost always under 65** because if you are eligible for Premium Free Part A (most people are) you are not eligible to get premium subsidies to pay for the QHPs.

- Income rules: MAGI; no resource limits
- Household size is based on your tax household. There are narrow exceptions for domestic violence and spousal abandonment.
- Married couples must file jointly (unless one can claim head of household status).
- Coverage is through BCBSVT or MVP, not Medicaid
- Plans do not include adult dental (pediatric dental included).
- Premium subsidies to help pay.

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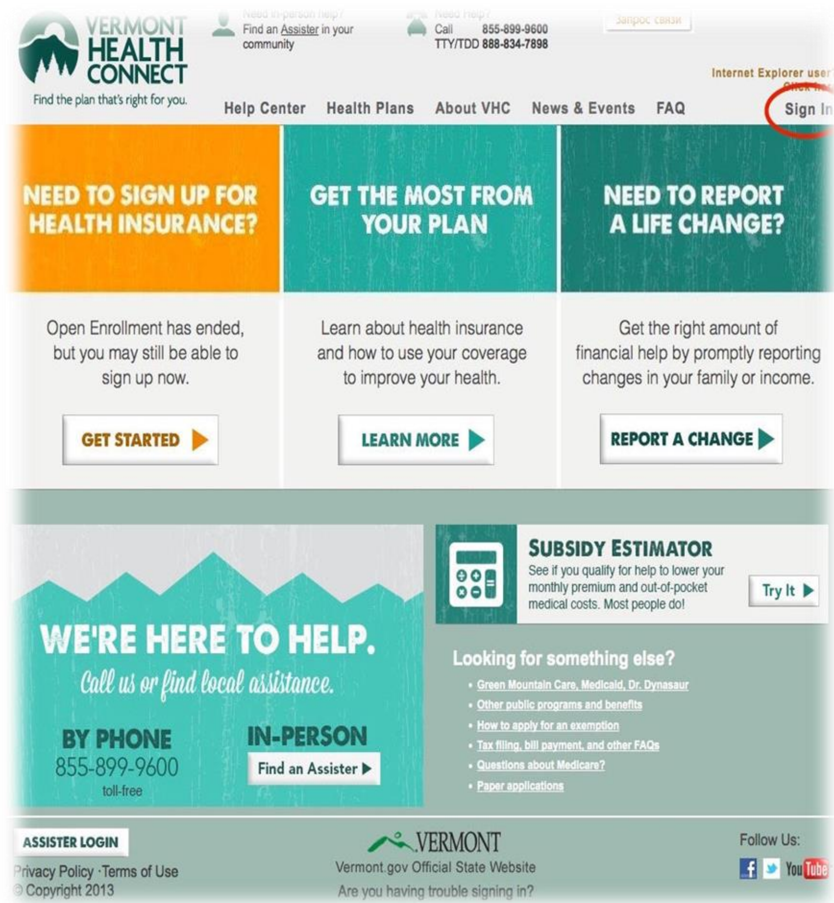
Vermont Health Connect Open Enrollment

You **must** enroll on a QHP plan during Open Enrollment:

- Remember you can apply for Medicaid year-round.
- If you miss Open Enrollment, you will not be able to sign up for a QHP without a Special Enrollment Period (SEP).
- 2026 OEP just ended on January 15.
- 2027 OEP will be shorter.



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VHC Special Enrollment Periods

SEPs are generally based on life events such as moving to the state; marriage; pregnancy; birth/adoption; loss of Medicaid or Employer Coverage. (not inclusive list of SEPs)

Cost Sharing Reduction (CSR) SEP:

- If your projected household income is under 200 FPL, you are eligible for a CSR plan. That gives you an SEP and you can enroll on a QHP outside of Open Enrollment, or if you are already enrolled you can switch to a silver plan.

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Advance Premium Tax Credit

When you buy a plan on VHC, you may qualify for APTC (advance premium tax credit) to help pay the premium.

Generally, <u>in 2026</u>, APTC is available to Vermonters:

- Over 100% FPL to 400% FPL
- Legally Present
- With no other "affordable" offer of health insurance.
- The subsidy can be applied monthly to reduce your premium. Or taken when you file your taxes.

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Loss of Expanded APTC in 2026

Expanded APTC eligibility made VHC plans more affordable:

- It removed the upper limit (400 FPL) of eligibility for APTC, making almost all Vermonters eligible for help.
- It also reduced what households under 400 FPL were required to pay for their plans.
- Expanded APTC **ended** December 31, 2025.
- Congress is still discussing reviving the expanded eligibility. **Nothing has been passed as of mid-January.**
- Some households decided not to enroll because of the loss of eligibility.

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Some VHC H.R.1 impacts

- **August 2025:** DACAs no longer eligible for marketplace plans and APTC (Previously, they had briefly been eligible for APTC and QHP enrollment)
- **January 2026**: No APTC eligibility for lawfully present immigrants who can't enroll in Medicaid because of the five-year bar and are under 100% FPL. (Previously, this group could get APTC and enroll on a QHP.)
- **January 2026**: Recapture of Excess APTC for plan year 2026. If you get more than you are eligible for in 2026, you must pay it ALL back when you file your 2026 taxes later. (Previously there were re-payment caps based on income. The safe harbor for income under <138% FPL will continue to exist.)
- **January 1, 2027**: Limits legal immigrants who can receive APTC to the following: 1) LPRs; 2) COFA migrants; and 3) Cuban and Haitian entrants as defined in section 501(e) of the Refugee Education Assistance Act of 1980. (Previously you needed lawful status, so many more people could get APTC)

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Green Mountain Care Programs

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Medicaid for Aged Blind and Disabled

Need to be *categorically* and *income* and *resource* eligible:

- *Aged:* 65 or over; *disabled or blind*: determined by Social Security or the State of Vermont, disability determination unit.
- Works with Medicare
- Income rules: not MAGI
  - Income limits for MABD are lower than MCA
- Resource limit: $2000 per person, $3000 per couple
  - Much higher for Medicaid for Working Persons With Disabilities
- Household size: 1 or 2. NOT tax household: single or legally married couple.
- Income limit is the same for household of 1 and 2.

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MABD income

Earned vs. Unearned

- Unearned income includes unemployment, social security, pension.
  - $20 disregard on unearned income.
- Earned income: current employment.
  - $65 disregard on earned income, then ÷ 2.

Example: You earn $400 a month at your job.

- $400 (earned income) - $65 (earned income disregard) = $335
- $335 ÷ 2 = $167.50 countable earned income.

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Medicaid for Working People with Disabilities

MABD income rules, with much higher income limits.(250 FPL)

- Resource limits are $10,000 for individual and $15,000 for couple.
- Must have a disability finding from either Social Security or the State of Vermont before you can get on this program.
- There is not a minimum number of hours you must work
- There must be proof that FICA taxes are taken out; or self-employment contributions tax payments are made; or a written business plan approved and supported by a third-party investor or funding source. (HBEE 8.05 (d)(2))

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Medicare Savings Programs

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Medicare Savings Programs: New Levels!

MSPs pay for premiums and/or cost-sharing for Medicare. Income limits went up on January 1, 2026.

- QMB: Covers Part A (if needed) and Part B cost-sharing and premiums. **New Limit is 150% FPL**.
- QI-1: Pays for Part B premiums. You **cannot** have QI-1 and Medicaid together. **New Limit is 202% FPL**
- No resource test for an MSP.
- Use MABD (not MAGI) income rules to calculate countable income.
- **SLMB no longer exists in Vermont: SLMB enrollees were moved to QMB**.

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MSPs: Apply for this program!

Benefits go beyond the premium payment.

- Being on an MSP will **deem** you eligible for Low Income Subsidy (LIS, also called Extra Help). This means you do NOT need to do a separate LIS application. LIS assists with Medicare Part D costs.
- "**Backdoor**" onto Medicare. If you are eligible but not enrolled on either Part A and/or B, MSP eligibility will allow you to enroll outside the General Enrollment Period.
- MSPs will also **permanently waive late enrollment penalties**, even if you later go off the MSP

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Start Dates for MSPs

- **QMB**: starts the month after you have been found eligible
  - QMB Example: If you apply January, and VHC processes the application in February, your start date is March 1.
  - <u>If you need the QMB coverage quickly, use the 201(P) because that application is processed faster.</u>
- **QI-1:** Starts the 1st day of the month that you apply as long as you are eligible that month.
  - QI-1 Example: If you apply in January and VHC processes your application in February, then you will have a Jan. 1 start date for QI-1. (Provided you were eligible in January!)

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Retro Coverage for MSPs

No retro coverage for QMB

Up to three months retro coverage for QI-1

<u>How to apply for retro QI-1</u>

- Wait until you are found eligible for QI-1.
- Then fill out the 202A application to apply for up to 3 months retroactive coverage.
- Write **"Medicare Savings Program"** at the top of the application.
- Do not fill out the monthly resources section if you are only applying for retroactive QI-1 coverage.

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VPharm: State Pharmacy Assistance Program

VPharm works as wraparound coverage with your Part D plan to reduce out of pocket costs

- VPharm: 1, 2 and 3 now have the same prescription coverage, plus diabetic supplies and eye exams (VPharm 1 only)
- Co-pays are $1 to $2

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VPharm

VPharm covers up to the benchmark amount of your Part D premium.

- VPharm cannot pay the late enrollment penalty
- You cannot have VPharm and MABD
- VPharm income rules do not follow MABD or MAGI
  - Income rules are in a repealed program called VHAP

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How to Apply

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How to apply on VHC

Currently you can apply online and on the phone:

- MCA (Medicaid for Children and Adults)
- Dr. Dynasaur
- QHPs (Qualified Health Plans from MVP or BC/BS):
  - APTC: Advance Premium Tax Credit: helps pay for your monthly premiums
  - CSR: Federal and State Cost Sharing reductions to help reduce out of pocket costs

- Paper applications are also available,
- Apply for IHIP with paper applications

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How to apply for MABD: three ways

- Anyone can use the **paper application**
- **New enrollees** can apply over the **phone**.
- **For new enrollee-online application options:**
- **Already on MCA**: If you already have MCA, and are applying for MABD for the first time, you can use the MABD online application.
- **Never applied on VHC**: If you have never applied on VHC, start with the VHC online application and then go to the MABD application.

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VPharm and MSP application

New 201(P) application.

- Use 201(P) to apply for VPharm and MSP programs only. It does NOT review eligibility for MABD Medicaid.
- Faster turnaround. No resource rules with either program.
- Online version available
- Fillable PDF which can be uploaded.
- Also, you can now apply on the phone if you call Green Mountain Care

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Online Resources

- Vermont Law Help: vtlawhelp.org/health
- Advocate's Guide to MAGI: Advocate's Guide to MAGI - National Health Law Program
- Beyond the Basics: healthreformbeyondthebasics.org
  - Includes webinars on MAGI, APTC, and more
- Vermont Health Connect: Filing Taxes | Vermont Health Connect
- Vermont's Health Care rules: Health Care Rules | Agency of Human Services (vermont.gov)
- CMS Medicare Training: Homepage | CMS National Training Program

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How to reach the HCA

The HCA can help any Vermonter with questions or issues with health care.

- 1-800-917-7787
- HCA@vtlegalaid.org
- www.vtlawhelp.org/health
- No income limits, always free and confidential
- Referrals: Please have clients call us directly so we can give specific legal advice.

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