

**North Dakota Department of Human Services**  
**Overview of Recent Medicaid Article**  
**"Medicaid for the middle class?"**  
**Health Care Reform Review Committee**  
**July 7, 2011**

The attached article recently appeared in *The Bismarck Tribune*. It describes a situation in which early retirees (ages 62 through 64) with income above the income levels would still qualify for Medicaid. These individuals would fall under the newly covered group of childless adults under age 65 who will qualify for Medicaid under the Affordable Care Act. These people will be able to qualify because of language in the Affordable Care Act that disregards Social Security benefits when determining their eligibility, thus reducing their countable income. The article included an illustration of a married couple retiring at age 62 in 2014 and receiving the maximum Social Security benefit of \$23,500 each. They could get \$17,000 from other sources and still qualify for Medicaid with a total income of \$64,000. The Medicaid expansion in the health care law was supposed to benefit childless adults with incomes up to 138 percent of the poverty level, but the Social Security disregard would mean the couple in the article could have income at about four times the federal poverty level. The new law does not affect individuals who apply for Medicaid as a disabled individual, or who are age 65 or older.

### **Broader Impact**

While the article addresses people who are age 62 through 64 who draw early retirement, it does not address all of the potential impacts to the Medicaid program. What the article does not identify is that it will also affect people of any age who draw a Social Security benefit. These include children who receive a Social Security benefit and anyone else who is a caretaker relative of children.

When a child receives a disability or survivors Social Security benefit today, the benefit they receive is considered in determining their eligibility for Medicaid. With the change in the Affordable Care Act, those benefits would be disregarded. The change will allow more children and their parents to qualify for full Medicaid coverage.

Likewise, when a parent, grandparent or other relative who is the caretaker of a child receives a Social Security benefit because they are disabled or age 65 or older, that benefit is considered when determining eligibility under today's rules. A separate Medicaid provision requires that Medicaid allow people who can qualify under more than one category, to choose their category. This means those caretakers will be able to choose to qualify as a caretaker relative instead of as a disabled or aged person, and by doing so, Medicaid will not count their Social Security income.

In all states it will mean that new individuals will qualify for Medicaid, but in medically needy states like North Dakota, it will also mean that individuals who qualify under current rules will pay less toward their care in the future. Both will have corresponding increases in costs to the Medicaid program.

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There are federal discussions about seeking a solution to this loophole.

Due to the number of variables and unknowns, the Department is unable to estimate how many people may "qualify" under this situation or how many people would take advantage of it.



ded to 18  
 WASHINGTON — Supreme Court Justice  
 Bader Ginsburg, actress  
 Thomas and sports  
 owner Jerry M. Reins-  
 are among the people  
 institutions being hon-  
 with a national prize for  
 service.  
 recipients of the 2011 Jef-  
 Awards accepted their  
 Tuesday evening at the  
 al Building Museum in  
 ington. Others honorees  
 cept theirs Wednesday  
 w York City. The recipi-  
 most of the 18 awards,  
 d a "Nobel Prize" for  
 service, are not celebri-  
 they include the founder  
 onprofit that works to  
 childhood hunger and a  
 and sister who have  
 uted phone cards to  
 oops overseas.  
 e awards, now in their  
 ear, were co-founded  
 mer first lady Jacque-  
 Kennedy Onassis.  
 e Jefferson Award for  
 me achievement is  
 to Thomas, known for  
 ple in the TV series  
 "Girl" in the late 1960s  
 arly 1970s. The wife of  
 ersonality Phil Don-  
 she has worked with  
 le Children's Research  
 tal in Memphis for  
 ars, raising money for  
 ric cancer research.

Edward J. Markey of Massa-  
 chusetts and Peter Welch of  
 Vermont, the GAO concluded

residential drinking wells  
 near at least three nuclear  
 power plants. The tritium in

the kind of meltdown he said  
 could happen in the U.S. if a  
 pipe is supposed to carry

ury have weakened safety  
 standards for decades to keep  
 the nation's commercial  
 nuclear reactors operating.

# Medicaid for the middle class?

By RICARDO  
 ALONSO-ZALDIVAR  
 Associated Press

WASHINGTON — Presi-  
 dent Barack Obama's health  
 care law would let several  
 million middle-class people  
 get nearly free insurance  
 meant for the poor, a twist  
 government number  
 crunchers say they discov-  
 ered only after the complex  
 bill was signed.  
 The change would affect  
 early retirees: A married cou-  
 ple could have an annual  
 income of about \$64,000 and  
 still get Medicaid, said offi-  
 cials who make long-range  
 cost estimates for the Health  
 and Human Services depart-  
 ment.  
 After initially downplay-  
 ing any concern, the  
 Obama administration said  
 late Tuesday it would look  
 for a fix.  
 Up to 3 million more peo-  
 ple could qualify for Medica-  
 id in 2014 as a result of the  
 anomaly. That's because, in a  
 major change from today,

most of their Social Security  
 benefits would no longer be  
 counted as income for deter-  
 mining eligibility. It might be  
 compared to allowing mid-  
 dle-class people to qualify for  
 food stamps.  
 Medicare chief actuary  
 Richard Foster says the situa-  
 tion keeps him up at night.  
 "I don't generally com-  
 ment on the pros or cons of  
 policy, but that just doesn't  
 make sense," Foster said dur-  
 ing a question-and-answer  
 session at a recent profes-  
 sional society meeting.  
 "This is a situation that  
 got no attention at all,"  
 added Foster. "And even  
 now, as I raise the issue with  
 various policymakers, peo-  
 ple are not rushing to say ...  
 we need to do something  
 about this."  
 Administration officials  
 said Tuesday they now see  
 the problem. "We are con-  
 cerned that, as a matter of  
 law, some middle-income  
 Americans may be receiving  
 coverage through Medicaid,  
 which is meant to serve only

the neediest Americans,"  
 said Health and Human Ser-  
 vices spokesman Richard  
 Sorian. "We are exploring  
 options to address this issue."  
 Administration officials  
 and senior Democratic law-  
 makers initially defended the  
 change, saying it wasn't a  
 loophole but the result of a  
 well-meaning effort to sim-  
 plify the rules for deciding  
 who would get help under  
 the new health care law.  
 Instead of a hodgepodge,  
 there would be one national  
 policy.  
 But Sen. Orrin Hatch of  
 Utah, the ranking Republican  
 on the Senate Finance Com-  
 mittee, called the situation  
 "unacceptable" and said he  
 intended to look into it.  
 Governors have been  
 clamoring for relief from  
 Medicaid costs, complaining  
 that federal rules drive up  
 spending and limit state  
 options. The program is now  
 one of the top issues in bud-  
 get negotiations between the  
 White House and Congress.  
 Republicans want to roll back

federal requirements that  
 block states from limiting eli-  
 gibility.  
 Medicaid is a safety net  
 program that serves more  
 than 50 million vulnerable  
 Americans, from low-income  
 children and pregnant  
 women to Alzheimer's  
 patients in nursing homes.  
 It's designed as a federal-state  
 partnership, with Washing-  
 ton paying close to 60 per-  
 cent of the total cost.  
 Early retirees would be a  
 new group for Medicaid.  
 While retirees can now start  
 collecting Social Security at  
 age 62, they must wait another  
 three years to get  
 Medicare, unless they're dis-  
 abled.  
 Some early retirees who  
 worked all their lives may not  
 want to join a program for the  
 poor, but others might see it  
 as a relatively painless way to  
 satisfy the new law's require-  
 ment that most Americans  
 carry health insurance start-  
 ing in 2014. It would help tide  
 them over until they qualify  
 for Medicare.

# ory cigarette warnings are not new in world

By ELLEN GIBSON  
 AP Retail Writer

W YORK — While graphic new  
 labels on cigarette packs that  
 a diseased lung or rotting teeth  
 e shocking to U.S. consumers,  
 in countries from Egypt to  
 ay may ask: "What's the big  
 Food and Drug Administration  
 esday released nine new labels

already require warnings as graphic as  
 the new U.S. labels — if not more so.  
 The U.S. warnings — the biggest  
 change to the labels in 25 years — use  
 mostly fear and disgust to discourage  
 Americans from smoking. The FDA  
 estimates the new labels will cut the  
 number of smokers by 213,000 in  
 2013, with smaller additional reduc-  
 tions through 2031. While it's impossi-  
 ble to attribute reduced smoking rates  
 to any single cause, in Canada, Brazil

Michael Cummings, chair of the  
 Roswell Park Cancer Institute's  
 Department of Health Behavior,  
 "We're a third world nation when it  
 comes to educating the public on the  
 risks of smoking."  
 The new warning labels include  
 images of cigarette smoke coming out  
 of a tracheotomy hole in a man's neck,  
 a mother and baby with smoke  
 swirling nearby and a sewn-up

on a rotating basis. They have until the  
 fall of 2012 to comply.  
 Before the new labels were intro-  
 duced, the U.S. had some of the weak-  
 est cigarette warnings in the world.  
 The introduction of the graphic labels  
 was required in a 2009 law that, for the  
 first time, gave the federal govern-  
 ment authority to regulate tobacco.  
 The U.S. first mandated the use of  
 warning labels stating, "Cigarettes

PLACING A  
 To place an ad, call 250-8299  
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 Kristin Wilson, advertising director  
 ..... 250-8285

CORRECTIONS  
 If you spot an error that  
 significantly changes the meaning  
 of any Tribune news story, call the  
 city editor at 250-8247.

TIMES: Members of  
 the Western Writers of  
 America will sign books  
 from 6 p.m. to 8 p.m. Fri-  
 day at Barnes & Noble.  
 The time for event was  
 incorrect in a story on  
 Page 1B on Tuesday.

NORTH DAKOTA LOTTERY  
 WWW.LOTTERY.ND.GOV

POWERBALL  
 Saturday: 12-21-22-38-41  
 Powerball: 18  
 Power Play: 2  
 Jackpot: \$36.7 million  
 MEGA MILLIONS  
 Tuesday: 11-24-25-31-46  
 Mega Ball: 17  
 Jackpot: \$64 million  
 HOT LOTTO  
 Saturday: 4-8-12-25-29  
 Hot Lotto: 6  
 Jackpot: \$1 million  
 WILD CARD  
 Saturday: 2-3-22-23-24

6/22/2011  
 Bismarck Tribune