

# **Mapping MaineCare: A Guide to MaineCare Benefits for Seniors and People with Disabilities**

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## INTRODUCTION

This Guide is about MaineCare – health insurance benefits for seniors and people with disabilities. MaineCare is the new name for “Medicaid.” This Guide will focus on full benefit MaineCare, the Medicare Buy-In benefit, and the prescription drug benefit – and explain how these benefits can supplement Medicare.

The MaineCare rules are different for children and their parents, young adults and pregnant women and others who may be eligible. For more information about eligibility for other people, see Appendix A.

Health care coverage for seniors and people with disabilities is a complicated topic – with many programs and benefits – and many rules. This Guide will provide an overview of MaineCare for seniors and people with disabilities – the application process, who’s eligible, what’s covered – and help you gain an understanding of how the programs fit together.

### **SECTION 1 – IF THIS IS ABOUT MAINECARE, WHY ARE WE TALKING ABOUT MEDICARE AND SOCIAL SECURITY?**

Medicare may seem like an unlikely place to start a discussion about MaineCare. However, most seniors and many people with disabilities have Medicare. So to understand MaineCare for these groups, it’s best to have a basic understanding about Medicare. Medicare is the federal health insurance program for seniors and people with disabilities. It is administered by the Centers for Medicare and Medicaid Services (a federal agency). However, the Social Security Administration (SSA) determines eligibility for Medicare. MaineCare is administered by the Maine Department of Human Services.

This section presents the most common Medicare eligibility scenario for most seniors and people with disabilities. Some groups may have additional eligibility requirements, e.g., aliens. If you are not sure if you are eligible for Medicare, please call Legal Services for the Elderly at 1-800-750-5353.

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## **1.1 HOW DO PEOPLE BECOME ELIGIBLE FOR MEDICARE?**

For seniors and people with disabilities, Social Security is often the doorway to health coverage.

The Social Security Administration is responsible for determining eligibility for Social Security retirement benefits, Social Security Disability Insurance (SSDI), and Supplemental Security Income (SSI).

Here is how Social Security benefits are linked with Medicare and MaineCare:

- People eligible to receive Social Security retirement benefits are also eligible for Medicare.
- People under age 65 receiving Social Security Disability (SSDI) benefits are eligible for Medicare after receiving SSDI for 24 months. (See Section 1.2 – Disability)
- People eligible to receive Supplemental Security Income or the State Supplement because their SSDI or Social Security benefits are very low are eligible for both Medicare and full benefit MaineCare.
- People eligible to receive SSI only are eligible for full benefit MaineCare.

## **1.2 WHAT IS COVERED BY MEDICARE?**

Medicare has two parts – Part A (hospital insurance) and Part B (medical insurance). Medicare has annual deductibles, co-payments, and premiums (see Appendix F and the following sections). While Medicare does cover many medical services, it is not comprehensive insurance. For example, Medicare does not cover routine physical exams, prescription drugs, or nursing home care. If you have a question about whether Medicare will cover something, talk with your doctor or other health care provider.

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### **1.3 ELIGIBILITY FOR MEDICARE**

You may be eligible for Medicare based on your age or if you have a disability.

#### **Age:**

Most people **65 or older** are eligible for Medicare based on their own – or their spouse's – employment history. If you are eligible to receive Social Security retirement or railroad retirement benefits you are eligible for Medicare.

*Note:* If you are age 65 or over and you are older than your spouse, you don't have to wait until he or she turns 65 before you can get Medicare. People are eligible for Social Security retirement benefits at age 62, even though they may not choose to get them then. So as long as you are age 65 and your spouse is age 62 or over, you may be able to enroll in Medicare. If this applies to you, you will have to fill out a Medicare application. It won't happen automatically.

#### **Disability:**

If you are **under age 65**, you are eligible for Medicare if you meet the Social Security disability standard and have received Social Security Disability benefits for 24 months. Receipt of benefits does not have to be continuous, though there are some limitations on time. Some public employees may not be eligible for Social Security Disability benefits, but may be eligible for Medicare if they have a long enough work history and meet the requirements of the Social Security Disability program.

In order to be eligible for disability benefits through SSA – either Social Security Disability Insurance (SSDI) which is based on your work record or Supplemental Security Income (SSI) which is need-based – you must meet SSA's disability standard, which has two parts:

- A. **Medical:** you must have a disability which meets SSA's criteria and it must be expected to last at least a year or result in your death; and
- B. **Work-Related:** you must be unable to engage in substantial and gainful activity. "Substantial" means work involving significant physical or mental activity, and "gainful activity" means work for pay over \$810 per month. (People who are blind can earn up to \$1,350 per month before their work is considered "gainful activity.")

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SSA reviews reports and information from your doctors, assesses your disability using its guidelines, and makes a decision on whether you meet the guidelines. If you do, and you meet the other eligibility requirements for SSDI and/or SSI (including the “substantial gainful activity” definition), you will receive disability benefits -- SSDI, SSI, or both, depending on your circumstances.

If you are found eligible for SSDI, you will be eligible for Medicare after you have received SSDI benefits for at least 24 months (the months don’t need to be continuous, though there are some time limits). You may be eligible for MaineCare right away, depending on your income and assets (see Section 2.2.)

Supplemental Security Income is a program for people with very low income and very few assets. If you receive a low monthly benefit through Social Security retirement or SSDI, you may also be eligible for SSI. If you are not eligible for Social Security retirement or SSDI because you lack the work history, you may still be eligible for SSI. And if you are eligible for SSI, you will also be eligible for MaineCare.

#### **1.4 ENROLLING IN MEDICARE**

For most seniors, enrollment is automatic when you apply for Social Security retirement benefits. For people with disabilities, enrollment is automatic after you’ve been receiving Social Security Disability benefits continuously for 24 months. (If your periods of disability are not continuous, you will have to apply for Medicare.) There are penalties for late enrollment. If you have a question about when you should enroll in Medicare, check in with a health insurance counselor at Legal Services for the Elderly.

***Important Exception: For people with kidney disease or Lou Gehrig’s disease (ALS)*** -- If you have end-stage renal disease, you may be eligible for Medicare no matter what age you are. When your coverage begins and how long it lasts depends on many things. If you want to find out more, call Medicare at 1-800-MEDICARE or visit the website [www.medicare.gov](http://www.medicare.gov). If you are eligible for Social Security disability benefits and have a diagnosis of amyotrophic lateral sclerosis (ALS, commonly known as Lou Gehrig’s disease), you do not have to wait 24 months before you are eligible for Medicare.

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## **1.5 PAYING FOR MEDICARE**

Remember that Medicare has two parts – Medicare Part A and Medicare Part B? There are premiums for both parts. However, most seniors are eligible for *premium-free* Medicare Part A. Whether someone aged 65 or over can get premium-free Part A depends on whether he or she (or his or her spouse) paid into the Social Security system while working. If you or your spouse has 40 or more “credits” in the Social Security system, you’ll be eligible for premium-free Medicare Part A. If you have fewer credits, you may have to pay a premium. (Between 30 and 39 credits, the monthly premium is \$189 in 2004. Under 30 credits, the monthly premium is \$343 in 2004.) If you want to know how many credits you have, you can call your local Social Security office.

The Medicare Part B premium is \$66.60 in 2004. Everyone with Medicare is responsible for paying this premium. However, people who have low income may be eligible for assistance in paying this premium. (See Section 4 – Medicare Buy-In Programs.)

## **SECTION 2 – FULL BENEFIT MAINECARE – ELIGIBILITY AND COVERAGE**

MaineCare (formerly called Medicaid) is administered by the Maine Department of Human Services (DHS), a state agency. MaineCare has different benefit packages from full benefits to prescription drug discounts, depending on age, disability, income (and assets, in most cases). Unlike Medicare, you do not need to have to have the work history required for the Social Security retirement and disability programs. MaineCare covers more services, at less cost, than Medicare.

Full benefit MaineCare provides comprehensive health coverage, with no deductibles or premiums and small co-payments. You must have low income and limited assets to be eligible. Adults, age 21 and over, with income up to 100% of the federal poverty level (after allowable deductions), who meet the assets test and other requirements, will be eligible for full benefit MaineCare. Eligibility, health care coverage and the application process are explained in Sections 2 and 3. Some people (including children through age 20, parents of minor children; pregnant women; and some adults with disabilities who work) are eligible at a higher income level. Information on coverage for people with disabilities who work is found in Section 2.2 and 2.3. See Appendix D for more information about full benefit MaineCare for children, parents and others.

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*Note:* Sometimes DHS may try to recover full benefit MaineCare costs from your probate estate after you die. This is called “Estate Recovery” and is explained in Section 7.

## **2.1 HOW MUCH INCOME CAN I HAVE?**

In general, adults 21 and over (without minor children) can have gross income of 100% of the federal poverty level or less. Currently that is \$776 per month for a single person and \$1,041 per month for a married couple.

Many people can actually have more money though. If you are a senior, 65 and older, or have a disability (as defined by Social Security), you can:

- Subtract \$75 per month from your total gross income (if you have a spouse, you can subtract \$100); and
- Subtract earned income: deduct the first \$65 from earned income; half of the remaining earned income is counted toward your gross income. If you are under 65 and disabled, you can also deduct impairment related work expenses from your gross income.
- Subtract a limited amount of earned income deposited into an Assets for Independence account (approved by DHS).
- If you have a disability (as defined by Social Security) and are working, you are allowed higher income – learn more in Section 2.2.

**[See Table A]**

The disregards and deductions above are only for seniors and people with disabilities. For other adults, aged 21 to 64 who are eligible for full benefit MaineCare (“non-categorical people” with income up to 100% of the federal poverty level and no minor children), there are no disregards or deductions. There are different rules for other groups and MaineCare benefits. For information about MaineCare benefits for children and their parents, go to Appendix D or <http://mejp.org/medicaid.htm>.

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## **2.2 DISABILITY-BASED MAINECARE ELIGIBILITY**

If you are found eligible for Supplemental Security Income (SSI) you will automatically qualify for full benefit MaineCare.

If you are found eligible for Social Security Disability Insurance (SSDI) you will be eligible for full benefit MaineCare if you also meet the MaineCare income and asset guidelines.

You can also apply for full benefit MaineCare if:

- You have never applied for Social Security disability benefits, even though you are disabled; or
- You have applied for Social Security disability benefits and haven't received a decision on your eligibility yet; or
- You've been turned down for Social Security disability benefits and are appealing the decision.
- You meet the Social Security disability medical standard, but not the work related standard (working disabled benefit, see next section).

When you apply for MaineCare, DHS will use the same guidelines as Social Security to determine if you have a disability. Here are some reasons applying for MaineCare is often a good idea:

- Applying for Social Security disability benefits can take a long time – sometimes six months to get an initial decision and up to two years if you appeal a denial. The MaineCare process is much faster, and if DHS doesn't make a decision within 45 days of date your application, you will be issued a temporary MaineCare card. (See Section 3.2)
- The temporary MaineCare card can help you get the medical care you need and provide more medical information to help the SSA make a decision on your application there.
- People sometimes meet the disability criteria for MaineCare, even if they aren't eligible for Social Security disability benefits. People who have a disability, work and have a higher income may still be eligible for MaineCare (working disabled benefit, see next section).

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## **2.3 THE WORKING DISABLED BENEFIT**

Many people under age 65 with disabilities who work may be eligible for full benefit MaineCare through the working disabled benefit (sometimes called the “Medicaid Buy-In” program). For this benefit, people only need to meet the medical standard, not the work-related standard (“substantial gainful activity”).

This benefit helps:

- People who receive Social Security disability benefits or SSI and who go back to work and lose their disability benefits (or who would go back to work but are afraid to lose their Medicare or MaineCare coverage); and
- People who have never received disability benefits, are disabled, and currently have earned income. They may now be eligible for full benefit MaineCare.

Here’s how it works. If you have a disability (based only on the medical part of the Social Security standard) and you work, you will be eligible for full benefit MaineCare if:

- You have countable **unearned income at or below** 100% of the federal poverty level (see income chart in Appendix A, page 3); and
- Your **total** countable (earned and unearned) income isn’t over 250% of the poverty level (remember, not all income counts! See Section 2.1.); and
- Your countable assets are not over \$8,000 for one person or \$12,000 for a couple. (All the full benefit asset exclusions count, see Section 2.6)

If your monthly countable income is over 150% of the poverty level, you will need to pay a small monthly premium for your benefits (either \$10 or \$20 per month, depending on your income). If you and your spouse are both eligible for this benefit, you will just need to pay one premium, based on your combined income. You do not need to pay the premium if you are responsible for paying your Medicare Part B premium.

## **2.4 WHAT KINDS OF INCOME COUNT?**

**Earned income, such as:**

- Wages, salaries, commissions, and severance pay from an employer
- If you are self-employed, “adjusted gross income” (after business expenses) counts
- Seasonal income is counted during the months you work

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**Unearned income, such as:**

- Social Security retirement or disability benefits
- Veteran’s benefits
- Pensions
- Unemployment benefits
- Workers’ compensation
- Interest from savings accounts or CDs
- Stock dividends
- Rental income after expenses

**And some income is not counted at all:**

- **SSI income** that other people in your household receive is not counted and that person is not included in your household size. That is because people who get SSI also get MaineCare. (See Section 2.4 for more information on who is included in your household.)
- **TANF income** (Temporary Aid for Needy Families) is not counted and the people in your household who get TANF benefits are not included in your household size. These people have MaineCare because they get TANF.
- **Income from other adults (except your spouse) in the household** like your adult children, or other adult relatives (brothers, sisters, aunts or uncles). They also do not count in figuring out household size.
- **Wages of dependent children** under age 21 do not count, as long as they are full-time students or part-time students not working full-time.

*Note:* These types of income are the most common, but this is only a partial list of the types of income that counts and does not count. DHS will figure out which income counts when it processes the application.

**2.5 WHOSE INCOME WILL BE COUNTED?**

In general your household is made up of people who are financially responsible for each other – not necessarily everyone who lives with you.

Parents and their children, 18 and under, who live together are a household. A stepparent may or may not be counted as part of the MaineCare household. DHS will include the stepparent in the family *only* if it will help everyone to get MaineCare. DHS will figure this out in the way that gives most health care to the family.

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If you do not have children 18 and younger living with you, DHS will usually only count you and your spouse as a household, and only your income (and your spouse's income) will be counted.

## **2.6 RULES ABOUT ASSETS**

Just as with income, MaineCare has asset limits. **But, many assets are not counted in this limit.** After the excluded assets are taken out, you cannot have property or other valuable items worth more than \$2,000 (or \$3,000 if there are two or more people in the household).

### **Assets that do not count against the \$2,000 limit:**

- The family's home and surrounding lot
- Basic items used in day to day living, such as furniture, tools and equipment
- **Two cars or trucks** (the second vehicle must be necessary for employment, medical treatment, essential daily activities or modified for operation by a person with a disability or for the transportation of a person with a disability)
- Property used to produce income such as rental property, boats, trucks, machinery
- **Money in a savings account, CD, pension plan, stocks and bonds, IRA – up to \$8,000 for a single person, \$12,000 for a family of two or more**
- Real property that is up for sale and offered at a fair market value
- Loans that must be repaid
- Prepaid burial contracts or mortuary trusts; burial spaces; and up to \$1,500 set aside in a separate account for burial expenses (including equity in burial contracts);
- The cash value of whole life insurance held by a member of the household, up to a combined cash value of \$1,500; term life insurance doesn't count as an asset at all;
- A limited amount of earned income deposited in an Individual Development Account (IDA) [also known as an Assets for Independence Act (AFIA) IDA]. The account and any expenditure made from it must be approved by DHS. Typically, funds may be spent only for education, home repair, a car or truck needed for work or school, small business start up, health care, or to use for an emergency or other family need. Any state or federal matching funds in the account are also excluded assets.
- Other less common assets listed in DHS rules

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**Money or gifts received:** If you receive a lump sum of money while you are on MaineCare, and it puts you over the asset limit, it won't count if you spend it within 30 days of when you get it. You can spend it any way you like. If you buy something, be sure that doesn't put you over the assets limit. SSI or Social Security retroactive payments don't count as an asset for the first six months after they are received. After that, any money remaining counts toward the asset limit. There are other types of lump sum payments that won't count as assets for a while. For example, insurance settlements for an excluded asset won't count as an asset for nine months.

**Caution:** These are the income and asset rules for full benefit MaineCare for seniors and people with disabilities. The rules are not all the same for other benefits, such as long-term care MaineCare, SSI and food stamps. Transferring assets can result in temporary **loss of eligibility** for long-term-care MaineCare, SSI and food stamps. If you have questions about transferring assets please call Legal Services for the Elderly at 1-800-750-5353 .

## **2.7 WHAT SERVICES ARE COVERED?**

Full benefit MaineCare provides comprehensive health care coverage, including prescription drugs, some transportation costs and translator services. There is a small co-payment for most services. For more information on what is covered, call MaineCare Member Services at 1-800-977-6740. The TDD/TYY number for deaf or hard of hearing is 1-800-977-6741.

MaineCare is the “payer of last resort” which means that your service provider should bill any other insurance carrier you have before billing MaineCare. If you have other coverage, including Medicare, full benefit MaineCare will “wrap around” your other coverage.

**Please note:** Except for small co-payments, doctors and other health care providers cannot charge members in addition to the payments they get from MaineCare. If someone refuses to provide services to you because you can't afford your co-payment, call Legal Services for the Elderly at 1-800-750-5353.

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## **SECTION 3 – FULL BENEFIT MAINECARE – THE APPLICATION PROCESS**

### **3.1 HOW TO APPLY**

You can get an application by calling:

- The local DHS office (for phone and TDD/TTY numbers, see Appendix B);
- The Legal Services for the Elderly Hotline at 1-800-750-5353 (623-1797 in Augusta); or
- The DHS Central Supply stockroom will send larger quantities of application forms. Fax requests to 626-5555.

You should complete the form, then mail it or bring it to the local DHS office. (See Appendix B for a list of DHS offices statewide.) You do not need to show proof of your income if your only income is Social Security benefits. Otherwise, be sure you include proof of income for the past four weeks. (For example, the four most recent weekly paycheck stubs or, if self-employed, a copy of the most recent tax form). Even if you are not eligible for one benefit (like full benefit MaineCare), DHS will look to see if you are eligible for any other MaineCare benefits (like the Healthy Maine Prescription benefit) and will let you know.

**Tip:** DHS figures out eligibility for MaineCare based on what they think the household's income will be in the next twelve months. The proof of income provided helps them figure this out. **If you expect your income to go down**, you should attach a note to explain the change. This will help the DHS caseworker decide eligibility.

### **3.2 HOW LONG DOES IT TAKE DHS TO REVIEW AN APPLICATION?**

DHS must make a decision within 45 days from the date they get your application, if it is complete.

If DHS does not determine eligibility within 45 days and it is their fault, they must send you a short-term medical card to use until they do decide. You may begin using the short-term card on day 46 and continue to use it until DHS makes a decision. If DHS later denies eligibility for MaineCare, you will **not** have to repay DHS for services received

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while using the short-term card. (This does not apply to Maine Rx Plus or the Low Cost Drug Program for the Elderly and Disabled.)

### **3.3 WHEN WILL COVERAGE START? CAN BACK BILLS BE PAID?**

If you are found eligible for full benefit MaineCare, you may receive coverage for up to three months before the month DHS received the application. These back bills will only be paid by MaineCare if your income and assets during those months would have made you eligible for MaineCare. Be sure to check off the box on the application that asks if you have any back medical bills. You will need to provide DHS with verification of these back bills.

For Example: You applied on April 15<sup>th</sup>. MaineCare may cover unpaid medical bills back to January 1<sup>st</sup>, three months before the month of application.

*Tip:* If DHS indicates that it will not cover medical bills for the three months before application, you may want to contact the Legal Services for the Elderly Hotline. Call toll-free: 1-800-750-5353.

### **3.4 LENGTH OF ENROLLMENT**

Here's the basic rule: The coverage period for MaineCare is twelve months. Before the end of the certification period, you will receive a re-certification form from DHS. When you send this back in, they will check to make sure you still meet income and asset guidelines.

You will remain covered if:

1. The form is returned by the deadline stated in the letter
2. You still meet the income and asset guidelines
3. If you have MaineCare due to disability, you are still disabled.

If, during the twelve month certification period:

- your income or assets go up, or
- your household size changes

you will need to report the change to DHS. If the change means that you are no longer eligible for the benefits you are receiving, DHS will check to see if you are eligible for

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any other MaineCare benefits and you will receive a letter telling you about any new benefit.

## **SECTION 4 – MEDICARE BUY-IN BENEFITS**

### **4.1 AN OVERVIEW OF THE ELIGIBILITY REQUIREMENTS FOR THE MEDICARE BUY-IN BENEFITS**

Medicare doesn't pay the full cost of your health care. (See Appendix F for detailed information on Medicare deductibles, co-payments and premiums.) MaineCare has a benefit that will help pay these costs, **the Medicare Buy-In benefit** – which includes Qualified Medicare Beneficiaries (QMB); Specified Low Income Medicare Beneficiaries (SLMB) or Qualified Individuals (QI). These benefits are sometimes called the “Medicare Savings Program” or “dual eligible” benefits.

People may be eligible if they:

- are eligible for Medicare, and
- have income or assets are higher than for full benefit MaineCare

Here is a chart with the different Medicare Buy-In benefits and the income limits and coverage for each one: [See Table B]

### **4.2 QUALIFIED MEDICARE BENEFICIARIES (QMB) – WHEN YOUR ASSETS ARE TOO HIGH FOR FULL BENEFIT MAINECARE.**

The income guidelines for QMB (called “quimby”) are *the same as for full benefit MaineCare* and with the same income deductions, but -- for QMB -- an individual can have assets up to \$4,000, and a couple up to \$6,000. Remember that many assets do not count toward these asset limits. (See Section 2.5.)

If you are eligible for QMB, MaineCare will pay your Medicare Part B premium and your co-payments and deductibles for services that Medicare covered and paid for. QMB helps with your health costs under Medicare, but it doesn't give you more covered services than you have with Medicare. For example, prescription drugs are not covered.

If you have high prescription drug costs or other expenses not covered by Medicare, it may be best for you to reduce your assets below the full benefit MaineCare asset limit (\$2,000 for an individual; \$3,000 for a couple) and receive full benefit MaineCare. The

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important thing to remember is that, if you are eligible for QMB, you may prefer to reduce your assets to be eligible for full benefit MaineCare. Some people prefer not to participate in full benefit MaineCare either because of the stigma attached to receiving “Medicaid” or because of concerns about Estate Recovery. (For more information on Estate Recovery, see Section 7.)

If you are eligible for QMB and you have a Medigap policy (private Medicare supplemental insurance), you may find – depending on the coverage you have chosen – that you no longer need that policy, because QMB covers most of the same things that a Medigap policy covers. You can suspend your Medigap policy for up to 24 months and, if you become ineligible for QMB, you can have your Medigap policy reinstated. Talk to someone at Legal Services for the Elderly before you suspend your policy to be sure it’s the best thing to do.

For you have any questions about the best course of action for you, call the Legal Services for the Elderly Hotline at 1-800-750-5353.

#### **4.3 SPECIFIED LOW INCOME MEDICARE BENEFICIARIES (SLMB) AND QUALIFIED INDIVIDUALS (QI) – WHEN YOUR INCOME IS TOO HIGH FOR QMB**

SLMB (called “slimby”) and QI provide identical services. If you have Medicare and you meet the income guidelines for these programs, both SLMB and QI will pay your Medicare Part B premium (\$66.60 per month in 2004).

#### **4.4 THE APPLICATION PROCESS FOR THE MEDICARE BUY-IN BENEFIT**

The application process for the Buy-In benefits is the same as for full benefit MaineCare. Benefits for QMB begin in the month following the month in which you are found eligible. SLMB and QI can be retroactive for up to three months prior to the month in which you are found eligible.

The certification period for these benefits is twelve months. If you are eligible for QMB or SLMB, you will receive a recertification application in the mail before the end of the twelve month certification period. If you receive QI, you will need to remember to apply for the benefit every year. DHS does not automatically send out a recertification letter to participants for this benefit.

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If you are eligible for the Medicare Buy-In benefit, you also qualify for the Low Cost Drug Program for the Elderly and Disabled. (See the following section to learn more.)

***Important Notice:*** If you only receive QMB, SLMB, QI, and/or the Low Cost Drug Program, DHS will not try to recover the costs of assistance from your estate. However, if you get full benefit MaineCare and you are age 55 or older, DHS may make a claim on your estate to recover the money that MaineCare has paid for your care. For more information, see the Estate Recovery section (Section 7).

## **SECTION 5 – PRESCRIPTION DRUGS**

There have been a lot of changes in Maine’s prescription drug program over the past several years. Healthy Maine Prescriptions was the name of Maine’s prescription drug program. It had two parts. It combined a new program for anyone whose income was under 300% of FPL (Part 2) with the Low Cost Drug Program for the Elderly and Disabled (Part 1). However, because of lawsuits brought against the State of Maine by the drug companies, Maine has only one prescription drug program now: the Low Cost Drug Program for the Elderly and Disabled. The applications for this program still say “Healthy Maine Prescriptions” but are still used to apply for the Low Cost Drug Program. The Low Cost Drug Program cards also still say “Healthy Maine Prescriptions” but still work for the Low Cost Drug Program.

### **5.1 LOW COST DRUG PROGRAM FOR THE ELDERLY AND DISABLED**

To be eligible, you must be a Maine resident who:

- 1) Is aged 62 and older; or at least 19 and disabled by the standards of the Social Security Administration (See Section 1.2); and
- 2) Meets the income guidelines. (Eligibility for the Low Cost Drug Program is based on ***income only***. Your ***assets*** will not affect eligibility.) A single person’s income must be at or below \$1,436 per month; a couple, at or below \$1,926. If you spend **at least 40% of your yearly income for prescription drugs**, the income limit is 25% higher (\$1,795/\$2,408).

If you have full benefit MaineCare, you are not eligible for the Low Cost Drug Program. If you have Medicare, that’s okay.

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Have questions?

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The Low Cost Drug Program covers:

- 80% of the cost of generic drugs. You will pay 20% of the cost, plus an additional \$2.00 co-payment.
- 80% of the cost of brand name drugs needed for the treatment of diabetes, heart disease and high blood pressure, arthritis, chronic lung disease (including emphysema and asthma), anticoagulation, glaucoma, high cholesterol, osteoporosis, thyroid diseases, incontinence, Parkinson's disease, multiple sclerosis, and Lou Gehrig's disease. You will pay 20% of the cost, plus an additional \$2.00 co-payment.
- If you pay more than \$1,000 out-of-pocket for prescription drugs in a year the program may cover 80% of the cost of all your brand name drugs for the rest of that year regardless of what they are for. You will pay 20% of the cost, plus an additional \$2.00 co-payment.

When you use your Low Cost Drug Program card when you buy your drugs, your costs will be automatically added toward the \$1,000 out-of-pocket expenses, so be sure to always use your card. Some costs do not count, but most do.

**Prior authorization and the Preferred Drug List:** Whether you get full benefit MaineCare or are enrolled in the Low Cost Drug Program, some prescription drugs must be prior approved by DHS in order to be covered by MaineCare. DHS has a Preferred Drug List (PDL). If the drug you are taking, or that your doctor wants you to take, is not on the list, your doctor will need to request permission from DHS in order for DHS to approve coverage of your prescription. This is only required when the Department believes there is another less expensive drug on the PDL that may work just as well for you. If the Department approves your doctor's request to give you a different drug than the one DHS recommends, you will be able to get that drug with no further delay. For more information, see Appendix E. For more information on which drugs are on the PDL, see [www.ghs.com/papage.html](http://www.ghs.com/papage.html).

**If you have private insurance**, you should show both cards to your pharmacist, who should get you the best savings with the coverage you have.

*Estate Recovery Note:* If you only receive QMB, SLMB, QI or the Low Cost Drug Program, DHS will not try to recover the costs of assistance from your estate. However, if you get full benefit MaineCare and you are age 55 or older, DHS may make a claim on your estate to recover the money that MaineCare has paid for your care. For more information on Estate Recovery, see section 7.

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Have questions?

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## 5.2 MAINE RX PLUS

You may remember hearing last spring that The United States Supreme Court ruled that the Maine Rx Program could proceed. Following that decision, the state made a few changes to the program and, beginning in January of 2004, **MaineRx Plus** offers 15-60% savings off retail prices for drugs on the MaineCare PDL. This benefit is available primarily to people with incomes below 350% of the federal poverty level, although people with higher income who spend more than 5% of their income on prescription drugs or 15% or more of their income on all health care costs are also eligible. Again, for more information on which drugs are on the PDL, see [www.ghsinc.com/papage.html](http://www.ghsinc.com/papage.html).

## SECTION 6 – OTHER MAINECARE BENEFITS

Some of the other MaineCare benefits available for seniors and people with disabilities who are not eligible for regular full benefit MaineCare include:

**Home and Community Benefit for the Elderly or Adults with Disabilities and Nursing Home Benefit.** In order to receive MaineCare coverage for nursing home care or equivalent care at home, you must need the level of medical care given in a nursing home. There are other MaineCare programs that offer different levels of care in the home depending on your needs. You must also meet the income and asset limits. The income limits are higher than for full benefit MaineCare. To learn more about these benefits, go to the Bureau of Elder and Adult Services website at [www.state.me.us/dhs/beas/](http://www.state.me.us/dhs/beas/) or call your local Area Agency on Aging at 1-877-ELDERS1 (1-877-353-3771).

**Breast and Cervical Cancer.** Full benefit MaineCare eligibility guidelines are different (better!) for women who have been diagnosed with breast or cervical cancer (or a pre-cancerous condition). See Appendix A for more information or call the Breast and Cervical Cancer Program at 1-800-350-5180 (press option 1).

**HIV/AIDS.** People who test positive for HIV and meet the guidelines are eligible for special (limited) benefits including coverage of prescription drugs, provider costs and hospital care. See Appendix A for more information.

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Have questions?

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**Medically Needy.** This benefit is for people who:

- have limited income and high medical bills; and
- are over-income for full benefit MaineCare; and
  - are 65 or older
  - have a disability
  - 20 or younger
  - pregnant, or
  - the parent of a minor child.

When you apply for the Medically Needy benefit, DHS will tell you what your “deductible” (or “spend down”) is. The deductible is the amount of medical bills you have to incur before being eligible for full benefit MaineCare. Usually the deductible amount is very high. You do not need to have paid this amount in medical costs, just owe the money. You will need to provide documentation of your expenses to DHS. Usually the deductible is calculated for a six-month period. When you meet the deductible, you will be eligible for full benefit MaineCare for the rest of that six month period. At the end of six-months, you will need to be recertified and, again, meet the deductible for the following six month period.

Income limits for MaineCare benefit packages are linked to the Federal Poverty Level (FPL) Guidelines. The Census Bureau publishes these figures and they change every year. **For the 2004 figures, a summary of who is eligible for these different MaineCare benefit packages, and the income and asset limits for each benefit, see Appendix A, page 3.** Remember that there are income and asset deductions and exclusions in most benefit packages, so you may be eligible, even if your income or assets are higher than the figures listed. When you apply, DHS will try to select the best benefit package for you, based on your individual situation.

**Other Programs** are available to eligible seniors and people with disabilities – veterans’ programs, programs through the federal government, private insurance plans and pharmaceutical companies. For information on many of these programs, see the DHS Bureau of Elder and Adult Services (BEAS) “Resource Directory for Older People in Maine.” To order the Directory, call BEAS at 1-800-262-2232; TTY 1-888-720-1925.

## **SECTION 7 – ESTATE RECOVERY**

***Please Note:*** Estate recovery is complicated. This section is designed to give you a general understanding of it and to de-mystify a topic that scares many people. Call the

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Have questions?

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Legal Services for the Elderly Hotline at 1-800-750-5353 for more information about estate recovery and how it may affect you. They can give you accurate information and advice about your specific circumstances.

Many people don't want to apply for MaineCare because of estate recovery. They may think that "the state will take away their home" or put a lien on their home if they get health care benefits under MaineCare/Medicaid. Here are the facts:

- DHS never tries to take your home or property while you are living;
- DHS does not put a lien on your property if you have MaineCare;
- DHS doesn't just take your home or automatically become the owner after you have died;
- Your property is yours to do with what you will; DHS can't stop you from selling or transferring your property just because you have MaineCare;
- Estate recovery only applies to MaineCare benefits you received **after age 55**.

Estate recovery does **not** apply to the following MaineCare benefits:

- Medicare Buy-In Benefits: Qualified Medicare Beneficiary Program (QMB), the Specified Low-Income Medicare Beneficiary Program (SLMB), and other programs that help Medicare beneficiaries pay their out-of-pocket costs.
- The Low Cost Drug Program for the Elderly and Disabled.

## **7.1 HOW DOES ESTATE RECOVERY WORK?**

When you die, most property you owned in your name only at the time of your death becomes the property of your probate estate. This may include your savings, personal property (such as a car or household items), and your home or other real property. (But some property does not become part of your probate estate if you own it jointly with another person. For example, if your spouse's name or your child's name is on the deed to your home, it does not become part of your probate estate. The same is true for joint bank accounts.)

The estate recovery law allows the state to file a claim against your probate estate to recover the amount the state paid for your health care through MaineCare. DHS has a "fourth priority" claim against an estate, after the costs of administering the estate, burial costs, and taxes. Your probate estate will have to sell estate property to satisfy valid

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claims, including DHS's claims. These claims have to be paid before your heirs receive anything from your probate estate. But, there are some very important exceptions. Sometimes estate recovery does not apply at all and sometimes property is completely protected.

## **7.2 WHAT ARE THE EXCEPTIONS, WHEN DHS WILL NOT FILE A CLAIM AGAINST MY ESTATE?**

DHS will **not** file a claim against your estate if you have any of the following:

- A surviving spouse
- A surviving child under the age of 21, or
- A surviving adult child who is blind or permanently or totally disabled.

When these dependents die, DHS will **not** pursue claims against their estates for your MaineCare expenses (unless they die within 4 months of your death).

## **7.3 CAN MY PROPERTY BE PROTECTED?**

For most people who have MaineCare, the most valuable property they own is their house. There may be some steps you can take now to protect your property from estate recovery. An attorney at the Legal Services for the Elderly Hotline can give you advice about estate recovery and how you may be able to protect your property.

Your estate, or a portion of it, may also be protected if DHS's claim will create an "undue hardship" for someone who survives you. A person asking for a hardship waiver must make the request within six months of your death, or within 30 days for the notice of DHS's claim against your estate, whichever is later.

**The rules for estate recovery are complex and confusing. This section is intending to give only a general idea about estate recovery. There may be other aspects of or exceptions to the estate recovery law that may affect you which are not discussed here. If you want more information about how estate recovery may affect you or about planning ahead for long-term care, contact Legal Services for the Elderly at 1-800-750-5353.**

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Have questions?

Call the Legal Services for the Elderly Hotline: 1-800-750-5353 (same number for TDD/TYY)

## **SECTION 8 – WHAT TO DO IF YOU HAVE PROBLEMS WITH DHS AND HOW TO APPEAL A DECISION**

If you have a problem or complaint, call DHS to talk it over. Many issues can be worked out this way.

If you don't want to or if you can't resolve problems with your benefits on your own, you can have someone else help. This could be a family member, an attorney or other trusted person. If you or your advocate wants advice about what you can do to resolve this problem, call the Legal Services for the Elderly Hotline at 1-800-750-5353.

You have the right to appeal any DHS decision. This includes decisions about eligibility for MaineCare and whether certain medical bills are covered.

**If you decide to appeal a MaineCare eligibility decision**, it must be done within 30 days of the date of the DHS *written* decision. To appeal, you can call the regional DHS office and ask for a fair hearing. It's a good idea to send a dated follow up letter asking for a fair hearing. If the 30-day limit for an appeal is missed, you can reapply.

**If you are appealing a DHS decision that your coverage will end**, the coverage can continue up to the time of the fair hearing, but **only** if you call and request a fair hearing **within ten days** of the DHS decision date. If you miss the ten-day deadline, you can still appeal within the 30-day deadline. But, the coverage will not continue up to the hearing. If you win the hearing, DHS will pay the back bills up to the hearing.

**If you disagree with some other decision by DHS**, such as not paying a bill you think should be covered, you have up to 60 days from the date of the DHS decision to appeal.

**For legal advice or help, call the Legal Services for the Elderly Hotline at  
1-800-750-5353.**

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Have questions?

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## MAPPING MAINECARE TECHNICAL TRAINERS

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Have questions?

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