

Uncertainty surrounds whether newly Medicaid-eligible in Louisiana can keep their Obamacare plans if prefer them

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Advocate staff photo by BILL FEIG -- Gov. John Bel Edwards, third from right, and Dr. Rebekah Gee, DHH Secretary, second from right, discusses Medicaid expansion at an event. From left, Rodrick Perkins, BR council member Donna Collins-Lewis, Loretta Robillard, Originæ Brown, Edwards, Gee and Linda Simms. The event is the first in a series from Gov. Edwards and Dr. Gee in the state on this topic. Gov. Edwards and Dr. Gee met with new enrollees of the Medicaid expansion program and made an announcement regarding the June 1 enrollment start date, including providing new information for the public.

This refrain may sound familiar: If you qualify for Medicaid but you like your Obamacare plan you can keep it Unless you can't.

That's the confusing and mixed message residents are getting from the state and insurance companies now that Louisiana has become the 31st state to expand Medicaid under the Affordable Care Act. About 375,000 people — mostly the working poor — are expected to get free health insurance coverage through the expanded program, which is mostly subsidized by the federal government.

Tens of thousands of those Louisiana residents — the total's not known — already have health insurance policies through what is called the federal marketplace, an Obamacare program that pays most of their insurance premiums.

The state says people who bought individual policies through the federal marketplace but now qualify for Medicaid under the state expansion can keep their Obamacare plans if they prefer them over Medicaid. They just have to keep paying their share of the premiums.

“There's no requirement that they move,” said Ruth Kennedy, Louisiana Medicaid Expansion project director.

But Blue Cross and Blue Shield of Louisiana, the state's largest health insurer and carrier for the bulk of Obamacare policies, says that's not allowed under federal regulations.

Once Obamacare plan members become eligible for Medicaid they are no longer eligible for the federal subsidies that help them pay for the federal marketplace coverage, said Blue Cross spokesman John Maginnis.

The date of Medicaid eligibility is based on when the person is notified. The notification may come from the state or federal government or when the person checks his or her enrollment status online at [Healthcare.gov](https://www.healthcare.gov).

Blue Cross expects 20,000 to 30,000 of its members — people who bought individual Obamacare coverage through [Healthcare.gov](https://www.healthcare.gov) and received subsidies — to become Medicaid-eligible with the program's expansion, Maginnis said. Those people will need to enroll in Medicaid and cancel their marketplace plans by calling [Healthcare.gov](https://www.healthcare.gov).

“If they do not take steps to end their Blue Cross coverage, the government could charge them a tax penalty and bill them for any subsidy they get after becoming eligible for Medicaid,” Maginnis said.

Other health industry experts have a different interpretation.

Brian Burton, program director for the Southwest Louisiana Area Health Education Center, said because the state expanded Medicaid in the middle of the year, Obamacare enrollees have the option to keep their private insurance through 2016.

But in 2017, people who earn less than 138 percent of the federal poverty level will have to move to Medicaid.

On Tuesday, Kennedy said Blue Cross and Burton were both incorrect. There's a lot of bad information out there, she said, including the mistaken belief that people must enroll in Medicaid if eligible. She based her opinions on discussions with federal Centers for Medicare & Medicaid Services officials.

On Friday, Kennedy was less certain about Burton's statement being incorrect. Kennedy said she hadn't been able to nail down the federal agency on what would be required of the newly Medicaid eligible after Dec. 1.

The Centers for Medicare & Medicaid Services declined comment on Blue Cross's assertions.

However, the agency did issue a statement saying CMS and state officials will send notifications to individuals who may now have additional coverage options to assist them with exploring those potential choices.

Kennedy said the only thing that will be a problem this year for Obamacare members who are also eligible for Medicaid is if they enroll in both at the same time.

That's happened in other states that expanded Medicaid, said Elizabeth Hagan, a senior policy analyst at Families USA, a health care consumer advocate.

"You do have to pay back those premium tax credits because you're only eligible for one or the other," Hagan said.

And that can be costly.

Close to 93 percent of the 184,400 Louisiana residents who got health insurance through Obamacare receive help to offset the costs, according to the U.S. Department of Health and Human Services. This year, the average monthly premium paid by Louisiana residents who get subsidies is \$86. The average subsidy is \$362 per month.

This means the vast majority of the premium is covered by the federal government, or taxpayers. It also means a new Medicaid enrollee who forgets to cancel his or her Obamacare plan could find himself on the hook for hundreds of dollars for each month the policy remains in place.

Hagan said the Centers for Medicare & Medicaid Services will try to prevent dual enrollment through a program known as periodic data matching.

In this process, information from the federal marketplace is checked against that of Medicaid. Consumers who enrolled in both programs receive a notice that they need to immediately cancel their Obamacare coverage.

In the past, dual enrollees would continue to receive premium tax credits unless they cancelled their policies, Hagan said. But later this summer, the Centers for Medicare & Medicaid Services will actually shut off those credits, protecting consumers from learning at the end of the year that they have to pay back the subsidies.

The question, Hagan said, is this: Does Louisiana's expanded Medicaid program have the capacity to do the periodic data match? Louisiana has done so in the past, but it's possible the program won't be able to check the entirety of the newly expanded Medicaid population.

It's unclear how many Louisiana residents now covered by Obamacare will move to Medicaid.

Vantage Health Plan and Humana, the other insurers that offer coverage on the federal marketplace, did not have estimates. Vantage spokesman Billy Justice said several thousand could possibly be touched by the expansion.

Humana spokesman Mitch Lubitz said customers who ask about their Medicaid eligibility will be referred to the Centers for Medicare & Medicaid Services.

Justice said Vantage was instructed to let that agency and the state Department of Health handle the notifications.

People may be able to keep their Obamacare plans through the end of the year, Justice said. As far as he understands, the newly Medicaid-eligible have to switch when their Obamacare plans come up for renewal. If they don't, they could be penalized on their tax returns or be sent a bill by the IRS, but that could change.

Kennedy said some people will switch and some won't.

Moving to Medicaid offers some advantages. For one thing it's free to members, she said. Adults' maximum out-of-pocket costs are 50 cents to \$3 per prescription, and even that's not enforceable.

If a person doesn't have the ability to pay, he doesn't have to, Kennedy said.

Burton said his group, which helps people navigate the Obamacare enrollment process, is seeing a pretty even split on people keeping their private coverage versus moving to Medicaid.

“There are consumers who are saying, ‘I’m still having a hard time meeting the co-pays, so I’d like to drop the marketplace insurance and sign up for Medicaid.’ But then you’ve got half saying, ‘No, I’m going to ride this wave as long as I can. Because I’ve got a Blue Cross or Vantage or UnitedHealth plan, the network (of available doctors and medical facilities) is so much wider than with one of the Medicaid providers.’”