

MHT 216 – Mental Health and Aging

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LESSON ON BENEFITS AND ENTITLEMENTS

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How turning 106 should be!

[106 yr old Woman Visits White House 2016](#)



Benefit vs. Entitlement Programs

- ▶ An **entitlement** is a government program guaranteeing access to some benefit by members of a specific group and based on established rights or by legislation.
- ▶ Entitlement programs with dedicated funding sources, such as the payroll tax for Social Security, maintain a "trust fund." I
- ▶ If the trust fund is exhausted, this means benefits must be paid from discretionary sources such as Income Tax revenue.
- ▶ It does not mean benefits will run out (although it implies other programs will need to be significantly curtailed given the size of entitlement programs relative to discretionary spending).

Benefit vs. Entitlement Programs

- ▶ **Entitlements:**

- ▶ Examples of entitlement programs at the federal level in the United States include:
 - ▶ Social Security
 - ▶ Medicare
 - ▶ most Veterans' Administration programs
 - ▶ federal employee and military retirement plans
 - ▶ unemployment compensation
 - ▶ agricultural price support programs



Benefit vs. Entitlement Programs



- ▶ Some argue that Social Security, Medicare and Medicaid are not entitlements.
- ▶ Unlike public employee pensions, which are contractual obligations now threatening to bankrupt state and local governments, Social Security, Medicare and Medicaid benefits can be modified, or even eliminated, by a majority vote of both houses of Congress along with the president's signature.
- ▶ They are benefits, not entitlements.
- ▶ It's easy to understand why Social Security beneficiaries, having experienced decades of withholding from their paychecks, might think of their monthly payments as entitlements.
- ▶ The program was originally billed as an alternative to private retirement accounts, and still today the government pretends that FICA withholding goes into a trust fund analogous to a privately funded retirement account.

Benefit vs. Entitlement Programs

- ▶ Originally, the term "**entitlement**" in the United States was used to identify federal programs that, like **Social Security** and **Medicare**, got the name because workers became "entitled" to their benefits by paying into the system.
- ▶ In recent years the meaning has been used to refer also to benefits, like those of the food stamps program, which people become eligible to receive without paying into a system.
- ▶ Some federal programs are also considered entitlements even though the subscriber's "paying into the system" occurs via a means other than monetary.
- ▶ As in the case of those programs providing for **veterans' benefits**, and where the individual becomes eligible via service in the U.S. military.

Benefits (Welfare Programs)

- ▶ Found a great website:
 - ▶ www.benefits.gov
- ▶ Group activity
 - ▶ Select resources by state
 - ▶ Then select Maine Bureau of Elder and Adult Services
 - ▶ <http://www.maine.gov/dhhs/oads/>
 - ▶ Each group will choose a section to research
 - ▶ Office of Aging and Disability Services Initiatives
 - ▶ Housing
 - ▶ Community Services & Supports
 - ▶ Support at Home
 - ▶ Helpful Resources



Reform in the 1960's

- ▶ President Kennedy wanted to support aid to education and medical insurance for the elderly, but both of his medical and educational proposals did not move forward.
- ▶ AMA - American Medical Association
 - ▶ They lead an opposition to ANY major federal program
- ▶ President Lyndon B. Johnson
 - ▶ Civil Rights Act of 1964
 - ▶ Protecting voting rights of southern Blacks.



Medicare.gov

The Official U.S. Government Site for Medicare

- ▶ **1965 enacted**
- ▶ **Medicare [medicare.gov](https://www.medicare.gov)**
 - ▶ **Medicare Part A (Hospital Insurance)**
 - ▶ **Part A covers inpatient hospital stays, care in a skilled nursing facility, hospice care, and some home health care.**
 - ▶ **Medicare Part B (Medical Insurance)**
 - ▶ **Part B covers certain doctors' services, outpatient care, medical supplies, and preventive services**
 - ▶ **[Medicare made clear video](#)**

Medicare

- ▶ Medicare is health insurance for the following:
 - ▶ People 65 or older
 - ▶ People under 65 with certain disabilities
 - ▶ People of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant)
- ▶ The different parts of Medicare (Parts A, B, C, and D) help cover specific services.
- ▶ Some people may qualify for BOTH Medicaid and Medicare.



Medicaid (MaineCare)

- Authorized by Title XIX of the Social Security Act, [Medicaid](#) was signed into law in 1965 alongside Medicare.
- All states, the District of Columbia, and the U.S. territories have Medicaid programs designed to provide health coverage for low-income people.
- Although the Federal government establishes certain parameters for all states to follow, each state administers their Medicaid program differently, resulting in variations in Medicaid coverage across the country.
- Beginning in 2014, the Affordable Care Act provides states the authority to expand Medicaid eligibility to individuals under age 65 in families with incomes below 133 percent of the Federal Poverty Level (FPL) and standardizes the rules for determining eligibility and providing benefits through Medicaid, CHIP and the health insurance Marketplace.

MaineCare & Medicaid

- ▶ MaineCare is the name of Maine's Medicaid Program.
- ▶ What does it cover?
 - ▶ MaineCare is a federal and state funded program that pays the medical expenses of people who are unable to pay some or all of their own medical expenses.
- ▶ Who Can Apply?
 - ▶ MaineCare is available to people who meet the income guidelines and are eligible based on age and family situations. To see if you are eligible for MaineCare, please contact your [local DHHS office](#) or the [MaineCare](#) website.
- ▶ How to apply for MaineCare:
 - ▶ Call or visit the [Department of Health & Human Services local office](#) closest to where you live. Tell the person at the front desk you want to apply for MaineCare. An eligibility specialist will meet with you to determine your MaineCare eligibility and can answer questions about the [MaineCare application](#) process.

Medicaid (MaineCare)

Children's Health Insurance Program (CHIP)

- The [Children's Health Insurance Program](#) (CHIP) was signed into law in 1997 and provides federal matching funds to states to provide health coverage to children in families with incomes too high to qualify for Medicaid, but who can't afford private coverage.
- All states have expanded children's coverage significantly through their CHIP programs, with nearly every state providing coverage for children up to at least 200 percent of the Federal Poverty Level (FPL).

Supplemental Security Income (SSI)

▶ **What Is SSI?**

- ▶ Supplemental Security Income (SSI) is a program that is
 - ▶ strictly need-based
 - ▶ according to income and assets
 - ▶ funded by general fund taxes.
 - ▶ SSI is called a "means-tested program,"
 - ▶ meaning it has nothing to do with work history, but strictly with financial need. To meet the SSI income requirements, you must have less than \$2,000 in assets (or \$3,000 for a couple) and a very limited income.
- ▶ Disabled people who are eligible under the income requirements for SSI are also able to receive Medicaid in the state they reside in.
- ▶ Most people who qualify for SSI will also qualify for food stamps, and the amount an eligible person will receive is dependent on where they live and the amount of regular, monthly income they have.
- ▶ SSI benefits will begin on the first of the month when you first submit your application.

[Guide to SSI](#)

Supplemental Security Income (SSI)

- ▶ **How much does it pay?**
- ▶ The monthly payment amount for the SSI program is based on the "federal benefit rate" (FBR).
- ▶ In 2016, the FBR is \$733 per month for individuals and \$1,100 for couples (and the FBR increases annually if there is a Social Security cost-of-living adjustment).
- ▶ The FBR is the maximum federal monthly SSI payment. Income you receive during the month, minus certain exclusions, can be subtracted from your federal monthly SSI payment. Additionally, state money can be added to your federal monthly payment.

Supplemental Security Income (SSI)

- ▶ **How much does it pay?**
- ▶ In most states, there is a state supplement, which is added to the federal benefit payment.
- ▶ The amount of the state supplement varies between states, from \$10 to \$200, and also depends on whether you are single or married and whether you are living in a nursing home, assisted living, on your own, or with others.
- ▶ For more information, see our article on the state supplementary payment.
- ▶ In Maine as of 2013 the supplemental amount depended on the recipient's living situation.
- ▶ Individuals living on their own or with others, or in a Medicaid facility, receive an extra \$8-10 per month, but those living in a boarding home receive \$217 to \$234.

Social Security Disability Income (SSDI)

▶ What Is SSDI?

- ▶ Social Security Disability Insurance is funded through payroll taxes.
- ▶ SSDI recipients are considered "insured" because they have worked for a certain number of years and have made contributions to the Social Security trust fund in the form of FICA Social Security taxes.
- ▶ SSDI candidates must be younger than 65 and have earned a certain number of "work credits." (To learn more, see our article on [SSDI and work credits](#).)
- ▶ After receiving SSDI for two years, a disabled person will become eligible for Medicare.
- ▶ Under SSDI, a disabled person's spouse and children dependents are eligible to receive partial dependent benefits, called auxiliary benefits. However, only adults over the age of 18 can receive the SSDI disability benefit.
- ▶ There is a [five-month waiting period](#) for benefits, meaning that the SSA won't pay you benefits for the first five months after you become disabled.
- ▶ The amount of the monthly benefit after the waiting period is over depends on your earnings record, much like the Social Security retirement benefit.

Accountable Care Act

Overall approach to expanding access to coverage

- ▶ Requires most U.S. citizens and legal residents to have health insurance.
- ▶ Creates state-based American Health Benefit Exchanges
 - ▶ through which individuals can purchase coverage,
 - ▶ offers premium and cost-sharing credits available to individuals/families with income between 133-400% of the federal poverty level (the poverty level is \$19,530 for a family of three in 2013)
 - ▶ Creates separate Exchanges through which small businesses can purchase coverage.
 - ▶ Requires employers to pay penalties for employees who receive tax credits for health insurance through an Exchange, with exceptions for small employers.
 - ▶ Imposes new regulations on health plans in the Exchanges and in the individual and small group markets.
 - ▶ Expand Medicaid to 133% of the federal poverty level.

Accountable Care Act

Individuals - Requirement to have coverage

- ▶ Requires U.S. citizens and legal residents to have qualifying health coverage.
 - ▶ Those without coverage pay a tax penalty of the greater of \$695 per year up to a maximum of three times that amount (\$2,085) per family or 2.5% of household income.
 - ▶ The penalty will be phased-in according to the following schedule:
 - ▶ \$95 in 2014 or 1.0% of taxable income in 2014
 - ▶ \$325 in 2015 or 2.0% of taxable income in 2015
 - ▶ \$695 in 2016 for the flat fee or 2.5% of taxable income in 2016
 - ▶ Beginning after 2016, the penalty will be increased annually by the cost-of-living adjustment.
- ▶ Exemptions will be granted for:
 - ▶ financial hardship
 - ▶ religious objections
American Indians
 - ▶ those without coverage for less than three months
 - ▶ undocumented immigrants
 - ▶ incarcerated individuals
 - ▶ those for whom the lowest cost plan option exceeds 8% of an individual's income
 - ▶ those with incomes below the tax filing threshold (in 2009 the threshold for taxpayers under age 65 was \$9,350 for singles and \$18,700 for couples)

Accountable Care Act

Employers - Requirement to offer Coverage

- ▶ Assess employers with 50 or more full-time employees that do not offer coverage and have at least one full-time employee who receives a premium tax credit a fee of \$2,000 per full-time employee, excluding the first 30 employees from the assessment.
- ▶ Employers with 50 or more full-time employees that offer coverage but have at least one full-time employee receiving a premium tax credit
 - ▶ will pay the lesser of \$3,000 for each employee receiving a premium credit or
 - ▶ \$2,000 for each full-time employee, excluding the first 30 employees from the assessment. (Effective January 1, 2014)
- ▶ Exempt employers with up to 50 full-time employees from any of the above penalties.

Accountable Care Act Expansion of Public Programs

Treatment of Medicaid

- ▶ Expand Medicaid to all non-Medicare eligible individuals under age 65 (children, pregnant women, parents, and adults without dependent children) with incomes up to 133% FPL based on modified adjusted gross income (as under current law undocumented immigrants are not eligible for Medicaid).
- ▶ All newly eligible adults will be guaranteed a benchmark benefit package that meets the essential health benefits available through the Exchanges.
- ▶ The Supreme Court ruling on the constitutionality of the ACA upheld the Medicaid expansion, but limited the ability of HHS to enforce it, thereby making the decision to expand Medicaid optional for states.

Accountable Care Act Expansion of Public Programs

Treatment of Medicaid

- ▶ To finance the coverage for the newly eligible (those who were not previously eligible for at least benchmark equivalent coverage, those who were eligible for a capped program but were not enrolled, or those who were enrolled in state-funded programs) states will receive:
 - ▶ 100% federal funding for 2014 through 2016,
 - ▶ 95% federal financing in 2017
 - ▶ 94% federal financing in 2018, 93% federal financing in 2019
 - ▶ 90% federal financing for 2020 and subsequent years.

Accountable Care Act Expansion of Public Programs

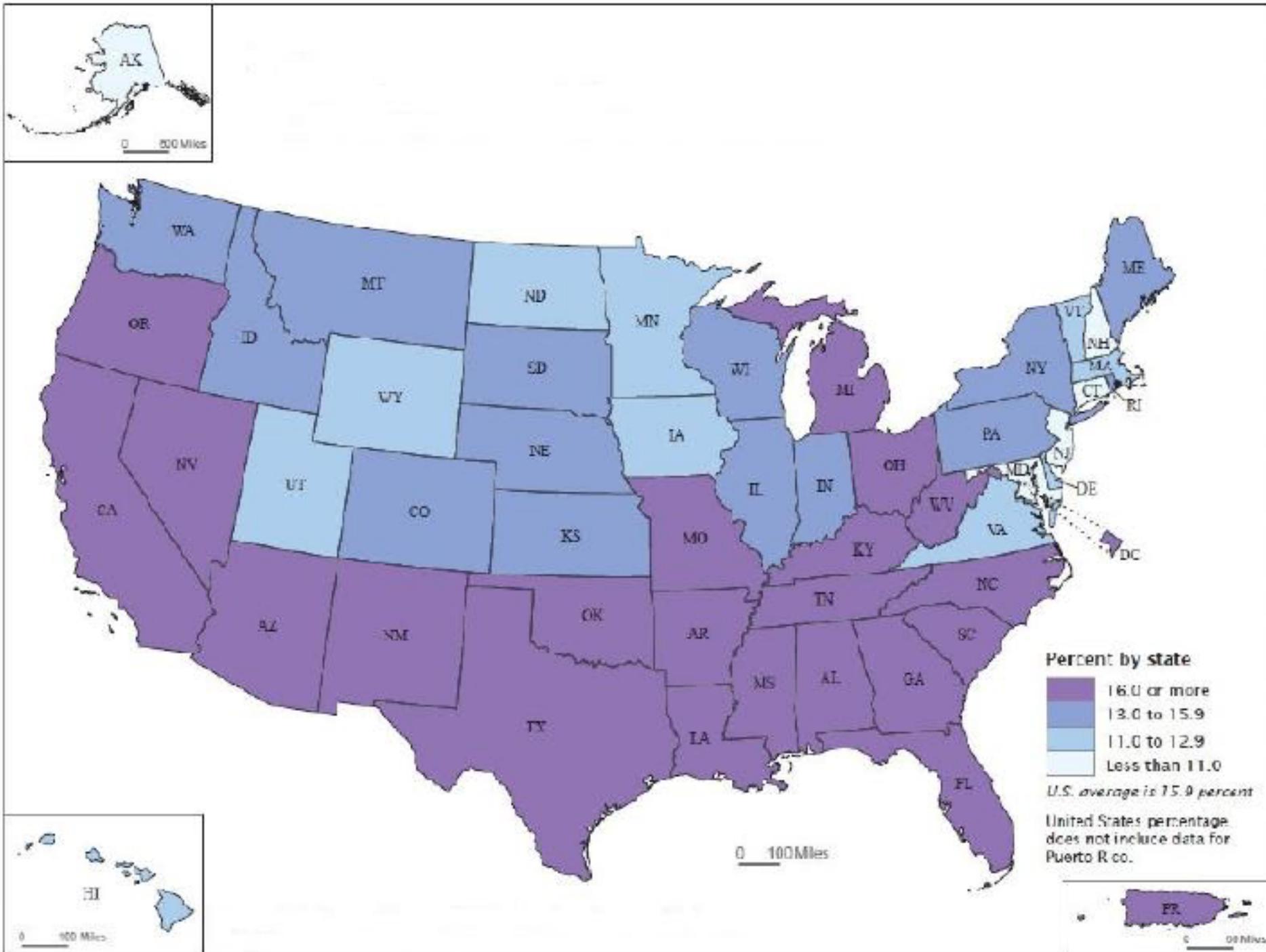
- ▶ States that have already expanded eligibility to adults with incomes up to 100% FPL will receive a phased-in increase in the federal medical assistance percentage (FMAP) for non-pregnant childless adults so that by 2019 they receive the same federal financing as other states (93% in 2019 and 90% in 2020 and later).
- ▶ States have the option to expand Medicaid eligibility to childless adults beginning on April 1, 2010, but will receive their regular FMAP until 2014.
- ▶ In addition, increase Medicaid payments in fee-for-service and managed care for primary care services provided by primary care doctors (family medicine, general internal medicine or pediatric medicine) to 100% of the Medicare payment rates for 2013 and 2014.
- ▶ States will receive 100% federal financing for the increased payment rates. (Effective January 1, 2014)

Federal Poverty Level (FPL)

The set minimum amount of gross income that a family needs for food, clothing, transportation, shelter and other necessities.

In the United States, this level is determined by the Department of Health and Human Services.

FPL varies according to family size.



Maine Poverty Rate saw slight decline from 2012 to 2013

- ▶ The data suggests the number of single Mainers below the poverty level
 - ▶ those making up to \$11,490 a year, or
 - ▶ four-person households earning up to \$23,550 a year
 - ▶ decreased by more than 9,000 people, from 14.7 % of the population to 14 %.
- ▶ The survey also showed a dip in Mainers' median income, from \$47,330 in 2012 to \$46,974 in 2013, a difference also well within the survey's margin of error.

FEDERAL POVERTY INCOME GUIDELINES
For Program Year 2016 to 2017 - Maximum Income Levels
Effective: 25-January-2016 thru 24-January-2017

Family Size	12 Months Income			6 Months Income			1 Month Income		
	100% Poverty Guideline	125% Poverty Guideline	150% Poverty Guideline	100% Poverty Guideline	125% Poverty Guideline	150% Poverty Guideline	100% Poverty Guideline	125% Poverty Guideline	150% Poverty Guideline
1	11,880	14,850	17,780	5,940	7,425	8,910	990	1,238	1,485
2	16,020	20,025	24,030	8,010	10,013	12,015	1,335	1,669	2,003
3	20,160	25,200	30,240	10,080	12,600	15,120	1,680	2,100	2,520
4	24,300	30,375	36,450	12,150	15,188	18,225	2,025	2,531	3,038
5	28,440	35,550	42,660	14,220	17,775	21,330	2,370	2,963	3,555
6	32,580	40,725	48,870	16,290	20,363	24,435	2,715	3,394	4,073
7	36,730	45,913	55,095	18,365	22,957	27,548	3,061	3,826	4,591
8	40,890	51,113	61,335	20,445	25,557	30,668	3,408	4,259	5,111
9	45,050	56,313	67,575	22,525	28,157	33,788	3,754	4,693	5,631
10	49,210	61,513	73,815	24,605	30,757	36,908	4,101	5,126	6,151
For each additional household member add:	4,160	5,200	6,240	2,080	2,600	3,120	347	433	520

What Is General Assistance?

- ▶ General assistance (called GA after this) is a program run by every town to help people who don't have enough money to pay their necessary expenses.
 - ▶ You may be eligible if your basic living costs are more than the money you have or can earn.
 - ▶ Each town has rules about who can have this money. You have the right to read the rules in the town office.
- ▶ Where Does the Money Come From?
 - ▶ Towns and cities pay for these benefits.
 - ▶ The State reimburses the towns and cities for 70% of GA benefits paid.

So is this an entitlement or a benefit/welfare program?

Is General Assistance an entitlement or benefit program?

- ▶ The answer is:
 - ▶ It is a benefit (welfare) program because you do not have to completed any other requirements, except to show proof you live in that town/city, to receive the benefit.
 - ▶ It is usually offered as a voucher, not cash handed to an individual.
 - ▶ The voucher may be for rent, rental deposit, electricity or other specific needs.

Americans with Disabilities Act



THE LAW

- ▶ The Americans with Disabilities Act of 1990 (ADA)
 - ▶ prohibits discrimination
 - ▶ ensures equal opportunity for persons with disabilities:
 - ▶ in employment
 - ▶ for State and local government services
 - ▶ public accommodations
 - ▶ commercial facilities
 - ▶ transportation
- ▶ It also mandates the establishment of TDD/telephone relay services.
- ▶ The current text of the ADA includes changes made by the ADA Amendments Act of 2008 (P.L. 110-325), which became effective on January 1, 2009.
- ▶ The ADA was originally enacted in public law format and later rearranged and published in the United States Code.



American's with Disabilities Act



▶ [ADA video \(6:41 min\)](#)



Resources to find out more information

- ▶ [Maine Equal Justice Partners](#)
 - ▶ Found helpful links under Priority Issues
- ▶ [Pine Tree Legal](#)
- ▶ [Disability Rights Center](#)