

## Health Insurance Coverage For Young Adults Low-Income Young Adults Are Eligible for Medicaid in Vermont

In Vermont, many people are aware that there is comprehensive Medicaid health insurance coverage for low and moderate-income children under the age of 18. What is less well known is that the same comprehensive coverage is available to low-income 18, 19 and 20-year-olds.

The Ribicoff eligibility option – named after the Connecticut Senator who championed it – allows states to offer Medicaid to young people up to the age of 21. Vermont is one of sixteen states that has chosen to do so. Based on the state plan, Vermont added this option in August of 1991.<sup>1</sup>

Unfortunately, anecdotal information suggests that many youth who would qualify for Medicaid are not transitioned directly to that program on their 18<sup>th</sup> birthday or they were terminated for not meeting periodic re-certification requirements. Instead, some young people are covered by the Vermont Health Access Program (VHAP), an optional health care coverage system for low-income adults. Others may have no coverage at all.

### Medicaid Provides Better Coverage

There are at least three reasons that Medicaid is better coverage than VHAP:

- Medicaid coverage has Early Periodic Screening Diagnosis and Treatment (EPSDT), meaning that it is a coverage plan with comprehensive benefits, while VHAP is much less comprehensive. Youth with multiple needs may be much better served on Medicaid.
- VHAP requires people with income above 50% of the federal poverty line to pay a premium while Medicaid does not.
- College students can continue to receive Medicaid, while those on VHAP are terminated if there is a college insurance plan available, even if the plan provides coverage that is inferior to VHAP.

While researching Medicaid coverage for children in Vermont, Voices for Vermont's Children learned that Medicaid eligibility for youth has been in place for nearly fifteen years, yet this fact is not widely known. It appears that many 18 to 21-year-olds are going without health insurance or losing full coverage because they, their advocates, and providers are unaware of their eligibility for Medicaid.

*I have been working with transition-age youth in Vermont for nearly 20 years and in my experience, "Ribicoff Medicaid" has been a well-kept secret.*

*Community Mental Health  
Administrator*

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<sup>1</sup>HCFA-PM-91-4, August 1991, Attachment 2-2-A, page 25.

## **Current Vermont Regulations Governing Eligibility for Youths**

To receive Medicaid benefits a young person:

- must be a Vermont resident under age 21 and cannot have countable income of more than \$841 per month outside Chittenden County and \$908 per month inside Chittenden County.
- cannot have resources in excess of \$2,000.<sup>2</sup>

If a young person is living with parents, the income and resources of the parent(s) is considered to be available to the youth. Income limits are based on household size. Of course, if the income of the entire household is low enough to qualify, the young person is eligible.

The income test is not absolute. If a young person whose income is over the limit has high medical expenses he/she is allowed to "spend down" the extra money on medical costs and become eligible.<sup>3</sup>

## **Medicaid Coverage Available for Eligible Youth in College**

For young adults receiving VHAP, coverage problems are compounded when they attend college. Under VHAP regulations,<sup>4</sup> they are forced to take inferior college health insurance plans if the plans are available. That is not the case if they are receiving Medicaid. As stated above, many of these young people have been put on the VHAP program even though they are actually eligible for Medicaid.

College students living in college housing can be eligible for Medicaid, unless they are considered part of their parents' household (they spend vacations at their parent's home) and the total household income is over the limits.

*Just in Burlington alone, I meet biweekly with program staff to evaluate Medicaid review dates. There can be over 20 kids at a time who need help checking up on their insurance. This is a fraction of the number of youth who need assistance. The rest of these young people go unnoticed.*

*Medical Social Worker  
at Vermont Clinic for  
Runaway and  
Homeless Youth*

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<sup>2</sup>Vermont Medicaid Procedure Manual, P-2420B, 1/1/06.

<sup>3</sup>Pursuant to the Vermont Supreme Court (*Stevens vs. Hogan*), the Department has an affirmative duty to assist the applicant in properly spending down to become eligible.

<sup>4</sup>VHAP Policy Manual, Section 4001.2 (b), 8/21/02.

- If a student is renting an apartment, parents' income **is not** counted.
- Financial aid in the form of grants and loans **is not** counted as income;
- Work-study payments **are** considered income.

There is one exception to the inclusion of parents' income. The 2006 Vermont Legislature directed the Agency of Human Services (AHS) to adopt or amend regulations to ensure that a college student taking medical leave has his or her eligibility determined for VHAP or Medicaid on the basis of the student's income only, and not the parent's income, even if the student receives room and board from the parent. The state may have to obtain federal approval before making this change.

### **Vermont Legislative Action on Medicaid Eligibility**

The 2006 Vermont Legislature acted to make sure that young people obtain the Medicaid coverage for which they are eligible. The legislature required that:

- Department of Children and Families (DCF) complete an analysis by the beginning of the 2007 legislative session of all types of eligibility for youth, including who is enrolled and what kind of outreach is being done.
- DCF provide information on Medicaid eligibility for youth to "community organizations, to designated agencies, and over the internet."
- The Agency of Human Services (AHS) adopt rules and procedures to assess automatically any youth whose eligibility for Medicaid is threatened.
- AHS determine if the youth is eligible for Medicaid in any possible category and complete the assessment in time to avoid interruption in coverage.
- AHS study the cost of continuing state-funded health care benefits for all youth in the custody of the state on their 18<sup>th</sup> birthday, regardless of income, while they attend college or post-secondary training.

*Over the last 5 years, getting "traditional" Medicaid for transition-age youth as a matter of policy has been a subject that has come up with increasing frequency. I've had opportunities to speak with Agency of Human Services state-level employees and district-level employees. Those conversations have usually resulted in all concerned acknowledging the need to extend coverage to this group.*

*Also, I am not alone in my lack of knowledge that Medicaid is available to youth ages 18 to 20. In fact, when assisting youth leaving its custody, a district office of the Department of Children and Families takes them to the economic services division to sign up for benefits. The health benefit they reportedly receive is VHAP, not Medicaid.*

*Community Mental Health  
Administrator*

## **Fixing The Coverage Gap**

By opting to provide Medicaid to low-income young people, Vermont recognized the critical need for comprehensive health insurance coverage of Vermont's most vulnerable youth. While there is anecdotal evidence that many young people who would be eligible have not had or do not have Medicaid coverage, quantitative data is needed to get an accurate picture of the gap in coverage. To help insure eligible youth are covered by Medicaid, AHS must take steps to clarify eligibility rules and provide training to appropriate state personnel and adequate information to providers, advocates and consumers. These young people should be encouraged to sign up for Medicaid coverage and receive the services for which they are eligible.

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**Note:**

The Vermont regulation that applies to young adult eligibility is found in the Medicaid section of the Social Welfare Manual, Section 321. It is as follows:

*Individuals Under the Age of 21:*

*Any person under age 21 is categorically eligible for Medicaid. Categorical eligibility must be reviewed the month prior to the attainment of age 21 so that Medicaid may be closed, with provision for the 10-day notice period, on the anniversary of the date of birth if the individual is no longer eligible.*

*An applicant's statement of his or her age is acceptable proof of age unless other evidence shows it to be questionable. A birth certificate or baptism record is the best proof of age, but other records may be submitted if these are not available.*

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**Voices  
for Vermont's Children**

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*Promoting public policy that enhances the lives of children and youth in Vermont.*

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