FLORIDA POLICY INSTITUTE

Senate Bill 192 Would Put Vulnerable Floridians in Jeopardy

▶ What would SB 192 do?

The bill would permanently eliminate retroactive Medicaid coverage. The cut targets Florida seniors and people with disabilities.

▶ What is retroactive Medicaid eligibility (RME)?

If someone qualifies for Medicaid, their coverage can go back three months prior to the month of their Medicaid application. This means that Medicaid will cover unpaid medical bills incurred during that time and save people from crushing medical debt.

▶ Who would be hurt by this cut?

People facing catastrophic medical bills arising from end-of-life care or accidents, strokes and cancer. This includes people with disabilities receiving Supplemental Security Income (SSI) — who live on just $771 per month — and low- and moderate-income seniors needing nursing home care.

▶ What is the state's justification for this cut?

The state says that elimination of RME will encourage people to enroll in Medicaid quickly when they are healthy instead of waiting until they are sick. However, the reality is that most low-income, uninsured healthy adults don't qualify for Florida Medicaid.[1]

▶ Why can't Florida adults get Medicaid coverage when they are healthy?

Florida has not expanded its Medicaid program to cover most healthy, non-pregnant uninsured adults (ages 18-64). Only very low-income parents with income no greater than 33 percent of the poverty level ($7,038 per year for a household of three) can qualify. Most adults covered by Florida Medicaid are seniors or people with severe disabilities.

▶ Would this cut affect overall health care costs in Florida?

Yes. It would add to uncompensated care costs, i.e. unpaid hospital costs, which already exceed 2 billion per year.[2] These costs are shifted to Florida business and those covered by private insurance through higher premiums and out of pocket costs.[3]

March 2019

▶ **Examples of people who would be hurt by the RME cut:**

Very low-income people with disabilities who receive Supplemental Security Income (SSI)

A single SSI recipient lives on just $771 per month. RME saves SSI recipients from crushing debt they would incur months prior to their application for disability benefits, when their health is seriously deteriorating.

Seniors who need nursing home care

Medicare only covers 120 days of nursing home care, so seniors rely on Medicaid coverage for long-term care. RME guarantees that nursing homes will get reimbursed during the gap, when Medicare coverage ends and Medicaid coverage begins. Eliminating RME would make it substantially more difficult for both moderate- and low-income people who are not Medicaid eligible at the outset to find a nursing home placement. That's because nursing homes would be taking a bigger gamble that bills would not be paid for care provided prior to the month of a Medicaid application.

Medically needy

These are uninsured adults who face a catastrophic medical crisis; for example, a healthy, low-income, working mother who is seriously injured in an auto accident on March 31 and gets emergency surgery the same day. If RME is permanently eliminated, even if she recovers enough to be able to apply for Medicaid the *very next day*, her coverage would only go back to April 1. Large medical bills incurred in March would not be covered.

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[1] Florida Policy Institute. "How Medicaid Expansion Would Benefit Florida: A Guide for Understanding Florida's Medicaid Program and How to Improve It." Accessed via: https://www.fpi.institute/florida-medicaid-chartbook-2019-edition/

[2] Florida Hospital Association. Facts & Stats – Cost of Uncompensated Care (2015). Accessed via: http://www.fha.org/reports-and-resources/facts-and-stats.aspx

[3] Roberts, Melissa. "Did You Know Floridians Pay $1.4 Billion Due to Uncompensated Care?" Florida Chamber of Commerce. Accessed via: https://www.flchamber.com/bending-floridas-healthcare-cost/