

**Alaska Commission on Aging  
KEY POINTS TO KNOW ABOUT:**

**Medicaid Income Eligibility Statute Change  
February 2009**

**Issue:**

In 2003, the Legislature modified the Medicaid income eligibility requirement for individuals requiring care at a nursing home level (including those on waiver programs, which provide home- and community-based services in lieu of nursing home placement). Prior to 2003, eligibility was determined by the Supplemental Security Income (SSI) benefit rate; those with incomes up to 300 percent of the SSI benefit rate were eligible for this Medicaid program. The SSI benefit rate is regularly adjusted to reflect changes in the cost of living, so the actual income limit for this program had increased slightly from year to year.

The 2003 statute change [AS 47.07.020 (b) (6)] keyed eligibility to a specific, unchanging income amount rather than a percentage of a federally determined amount subject to annual cost-of-living adjustment. Since 2003, the program has been limited to those with incomes up to \$1,656 per month. The current equivalent of 300% of the SSI benefit rate would be \$2,022 per month. In terms relative to the SSI level, therefore, the income eligibility level for Medicaid nursing home care or waiver services has declined by 22 percent in the past six years.

Each year as Alaskans on this program receive small cost-of-living adjustments in their Social Security retirement or SSI benefits, a number of them are notified that they are no longer eligible for these invaluable Medicaid services. While there are options available to them for preserving their eligibility (such as creation of a Miller trust), these options themselves have drawbacks making them inappropriate for some individuals.

**Recommendation:**

The Alaska Commission on Aging recommends returning to the original wording of this statute, referencing 300 percent of the SSI benefit rate rather than a frozen dollar amount as the income limit for Medicaid nursing home and waiver services.