



Health Care Reform in Indian Country

Self-Governance Communication & Education

Self-Governance Tribes Striving Towards Excellence in Health Care

Interaction of Eligibility for Medicare, Medicaid, and Marketplace Financial Assistance for AI/ANs¹

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This brief seeks to provide guidance to Tribes on the interaction of eligibility for Medicare, Medicaid, and federal financial assistance offered through the Health Insurance Marketplace (Marketplace) for American Indians and Alaska Natives (AI/ANs).

Background

Under the Affordable Care Act (ACA), individuals who meet the definition of Indian² can enroll in either a zero or limited cost-sharing Marketplace plan, depending on their income level. AI/ANs who have an income between 100% and 300% of the federal poverty level (FPL) and qualify for premium tax credits (PTCs) can enroll in a zero cost-sharing plan; AI/ANs at any income level, regardless of PTC eligibility, can enroll in a limited cost-sharing plan. In both of these plan variations, enrollees pay no deductibles, co-insurance, or copayments when receiving essential health benefits (EHBs).³ In addition, the ACA generally provides PTCs for individuals with a household income between 100% and 400% FPL.⁴

The ACA also provides states with the option, beginning in 2014, of expanding their Medicaid programs to cover all residents with household incomes at or less than 138% FPL, including many AI/ANs, with the federal government covering 90% of program expenditures on health care services after the initial phase-in.

Apart from these ACA provisions, most individuals, including AI/ANs, will become eligible for, and get automatically enrolled in, Medicare when they reach age 65.⁵

¹ This brief is for informational purposes only and is not intended as legal advice.

² The ACA defines “Indian” as an individual who is member of a federally-recognized Tribe or shareholder in an Alaska Native regional or village corporation.

³ Enrollees in zero cost-sharing plans do not need a referral from an Indian health care provider (IHCP) to receive cost-sharing protections when served by non-IHCPs. Enrollees in limited cost-sharing plans, however, must obtain a referral from an IHCP to avoid cost-sharing when served by non-IHCPs.

⁴ The American Rescue Plan Act (ARP), enacted in March 2021, included several provisions that increased federal subsidies for Marketplace enrollees, including AI/ANs, for 2021 and 2022. The ARP reduced the amount of the required household contribution to Marketplace plan premiums to these levels for PTC-eligible enrollees, effectively providing more generous tax credits to these individuals. In addition, the ARP extended eligibility for PTCs to Marketplace enrollees with a household income higher than 400% FPL.

⁵ Individuals get enrolled in Medicare (Part A) automatically at age 65 if they already receive Social Security or Railroad Retirement Board (RRB) benefits or certain disability benefits. Individuals need to enroll in Medicare themselves if they

Medicare and Marketplace Enrollment

AI/ANs and other individuals who have Marketplace coverage before they become eligible for Medicare can retain their Marketplace coverage after enrolling in Medicare, but they would lose any eligibility for PTCs, meaning they would have to pay the full premium for Marketplace coverage, and might have to repay a portion of tax credits already received. In addition, if AI/ANs who have Marketplace coverage enroll in Medicare, they likely would lose eligibility for enrolling in a zero cost-sharing Marketplace plan, as eligibility is tied to eligibility for PTCs. However, these AI/ANs would appear to retain eligibility for enrolling in a limited cost-sharing Marketplace plan, as eligibility is tied only to Indian status and not to eligibility for PTCs.⁶

It is important to note that, although AI/ANs and other individuals can retain their Marketplace coverage after enrolling in Medicare, it appears that they may not be able to re-enroll in their Marketplace plan in the subsequent calendar year. In general, individuals enrolled in Medicare cannot (newly) enroll in Marketplace coverage as federal law and regulations prohibit the sale of Marketplace coverage to individuals enrolled in Medicare, even if an individual is enrolled in only Medicare Part A or Part B.⁷

AI/ANs and other individuals who do not qualify for Medicare because they have not paid into Medicare and Social Security for 40 quarters (10 years) can enroll in Marketplace coverage and remain eligible for PTCs and Indian-specific cost-sharing protections.

Medicaid and Marketplace Enrollment

Federal regulations do not prohibit AI/ANs and other individuals from enrolling in both Marketplace coverage and Medicaid. However, if individuals enroll in Medicaid, or are determined eligible for Medicaid, they will lose any eligibility for PTCs. In addition, if AI/ANs who have Marketplace coverage enroll in, or become eligible for, Medicaid, they will lose eligibility for enrolling in a zero cost-sharing Marketplace plan, as eligibility is tied to eligibility for PTCs. However, these AI/ANs would appear to retain eligibility for enrolling in a limited cost-sharing Marketplace plan, as eligibility is tied only to Indian status and not to eligibility for PTCs.

Medicare and Medicaid Expansion Enrollment

Federal regulations prohibit the continuation of Medicaid expansion coverage for AI/ANs and other individuals after they become eligible for Medicare. As such, these individuals must transition to Medicare or other health insurance to retain coverage.

do not already receive Social Security or RRB benefits or qualify for Medicare because they have end-stage renal disease (ESRD).

⁶ Federal regulations do not appear to have specifically addressed this issue.

⁷ See <https://www.medicare.gov/about-us/medicare-the-marketplace>. “Your Marketplace plan may not renew your coverage at the end of the year.”