



# MAWD or Marketplace?

## What Pennsylvanians with Disabilities Need to Know About Choosing Health Insurance Coverage

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### Summary

Choosing health insurance coverage that best meets one's needs is important, especially for persons with significant health issues or disabilities. Pennsylvanians with serious health issues and persons with disabilities have several choices regarding health insurance. This publication will focus on two of those options: Medicaid and the Marketplace. Not every Pennsylvanian has a choice between Medicaid and the Marketplace. It only works for persons eligible for one category of Medicaid: Medical Assistance for Workers with Disabilities (MAWD). Today, people with serious health issues and persons with disabilities who are working or may be able to work, can choose between Marketplace health insurance and MAWD.

This briefing paper describes eligibility for each program, how to apply and highlights factors to consider when choosing coverage. It weighs the pros and cons of each program and concludes that MAWD is frequently a better coverage choice over a Marketplace plan.

### Background

Today, people with serious health issues and persons with disabilities who are working or may be able to work, can choose between Marketplace health insurance and Medical Assistance for Workers with Disabilities (MAWD). This paper will provide a brief explanation of each option and then go on to compare them in terms of cost and coverage.

#### **Health Insurance Marketplace**

The Health Insurance Marketplace (Marketplace) was developed as a result of the Affordable Care Act (what some refer to as "Obamacare"). The U. S. Department of Health

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and Human Services oversees Pennsylvania's Marketplace and, along with the Pennsylvania Insurance Department, approves the various health insurance plans sold.

The Marketplace offers households a choice of health plans to purchase. Premium and cost sharing subsidies are available to reduce the cost of coverage for low to middle income households.

To be eligible for premium assistance or cost sharing reductions (which reduce deductibles, copayments, and coinsurance rates), consumers must meet income guidelines. In general, Pennsylvanians earning between 100 percent and 400 percent of poverty qualify for premium assistance, and Pennsylvanians earning up to 250 percent of poverty qualify for cost-sharing.

All health plans offered through the Marketplace must meet the requirements of "qualified health plans." This means they must cover essential health benefits such as emergency services, inpatient hospital care, prescriptions, mental health and drug and alcohol services and others. Qualified health plans must also limit the amount of cost sharing (such as lifetime and annual limits, deductibles and co-pays) for covered benefits, and satisfy other consumer protections required under the Affordable Care Act.

Applications for Marketplace coverage can be submitted on-line at [www.healthcare.gov](http://www.healthcare.gov). Applications can also be submitted by mail and by phone. Enrollment is limited to certain times of the year.



In general, you cannot be eligible for Marketplace insurance and Medicaid. But adult Pennsylvanians with serious health issues and disabilities, who are doing some paid work, can choose.

### **Medicaid (known in Pennsylvania as Medical Assistance)**

Medicaid is a public insurance program that provides health coverage to low-income Pennsylvanians, including children, parents, pregnant women, seniors, and people with disabilities. In 2015 Pennsylvania expanded Medicaid to also provide coverage to poor and low-income adults under 138 percent of the poverty line (\$27,724 for a family of 3 in 2015). MAWD is another category of Medicaid eligibility and has even higher income eligibility limits (discussed below).

The Pennsylvania Department of Human Services (DHS), formerly named the Department of Public Welfare, administers the Medicaid program. Most people on Medicaid receive services through a managed care plan, contracted with by DHS. A small percentage of Medicaid recipients receive services directly with an ACCESS card. Hospitals, physicians, and other health care providers are not required to accept Medicaid coverage, and not all do.

Pennsylvania's Medicaid program covers: physician, midwife, and certified nurse practitioner services; inpatient and outpatient hospital services; laboratory and x-ray services; family planning services and supplies; comprehensive mental health and drug and alcohol treatment services; nursing facility and home health care. Pennsylvania also covers prescription drugs, dental care, vision services and personal care services.

Applications for Medicaid can be submitted by mail; by phone; in person; or through COMPASS, an online portal managed by the Department of Human Services (<https://www.compass.state.pa.us/>). Families can apply for Medicaid any time. There is no open enrollment period. This means individuals currently in a Marketplace plan can consider applying for MAWD at any time; more discussion on that below.

### **Is Choosing Between Marketplace and Medicaid an Option for Consumers?**

In general, you cannot be eligible for Marketplace insurance and Medicaid. Pennsylvanians are not eligible for Marketplace coverage if they are eligible for "minimum essential coverage" from another source (including Medicaid as well as employer-based coverage or Medicare). But adult Pennsylvanians with serious health issues and disabilities, who are doing some paid work, can choose.

That is because MAWD has specific eligibility criteria and the Marketplace cannot screen for that particular category as it can for all other Medicaid categories. This means that individuals, family members, navigators and advocates need to fully compare MAWD and Marketplace options.

## Medical Assistance for Workers with Disabilities

Medical Assistance for Workers with Disabilities (MAWD) provides Medicaid benefits to individuals between the ages of 16 and 64 who work despite having serious, chronic health problems. Compared to other Medical Assistance categories, MAWD has higher income and asset limits.

MAWD is an important and unique category of Medical Assistance because the disability requirement is flexible. Individuals who receive Social Security Disability Insurance (SSDI) automatically meet the MAWD disability standard. For those who do not receive SSDI, “disability” can be shown by providing medical records documenting the person’s health issues and diagnoses. The work requirement is flexible. Working as little as one hour per month and getting paid for it is enough and can include informal work arrangements, such as babysitting a friend’s child or helping a neighbor with yard work.

### **What is the Eligibility Criteria for MAWD?**

To be eligible for MAWD, a Pennsylvanian must:

- ✓ Be a U.S. citizen or lawfully present for 5 years or more;
- ✓ Be between the ages of 16 and 64;
- ✓ Have an illness or condition that meets Social Security’s definition of “disability” which can be shown by either:
  1. Being a recipient of Social Security Disability benefits (SSDI), or
  2. Submitting medical records to the County Assistance Office so they can find the individual disabled
- ✓ Be working and earning wages;
- ✓ Have “countable” income\* less than 250% of the federal poverty guidelines; *and*
- ✓ Have countable assets valued at less than \$10,000

\*Readers can view PHLP’s MAWD fact sheet at <http://www.phlp.org/wp-content/uploads/2015/01/MAWD-Guide-2015.pdf> for a detailed explanation on how income and assets are counted for MAWD

## MAWD or a Marketplace Plan: How to Choose

### Comparing Marketplace Plans and MAWD

There are several factors to consider:

- o **Cost** – Is there a monthly premium, co-insurance? co-pays? An annual deductible? Individuals should do a side-by-side comparison of available Marketplace plans and MAWD.

Both MAWD and Marketplace plans will have premiums.

There is no co-insurance with MAWD while Marketplace plans frequently have a co-insurance on various services. Co-insurance is a percentage of care that the enrollee is responsible to pay. For example, a Marketplace plan might charge their member 20% of the cost of an emergency room visit.

MAWD has very small (a few dollars) co-pays for some services and medications. Marketplace plans generally have co-pays on services and medications that can vary from \$10 to \$50 and higher.

There is no annual deductible with MAWD. Marketplace plans frequently have an annual deductible. A deductible is the dollar amount that the enrollee is responsible to pay before the plan covers any health care.

- o **Benefits Covered** – Is the coverage the same? Are there limits on some services such as physical therapy? What prescription medications are covered? What behavioral health services are covered?

MAWD and Marketplace plans both cover essential health benefits but MAWD has very few limits on services while most Marketplaces have limits on some services. For example, it is common for Marketplace plans to limit physical therapy and occupational therapy while no such limits exist with MAWD.

- o **Appeal Options** – What rights does a person have to appeal a denial of services?

Marketplace plans and MAWD both offer individuals a right to an internal and external appeal process. However, when an insurer continues to deny an enrollee's request for services, MAWD provides an additional appeal mechanism: a Fair Hearing before an Administrative Law Judge. In addition, MAWD provides benefits pending the appeal

outcome when the person is receiving a service that is being ended or reduced and they appeal within 10 days of the denial.

- o **Provider Network** – What doctors, hospitals and other medical providers accept the plans being considered? Can out-of-network providers be accessed? Is there an additional cost to access out-of-network providers?

Ensuring access to medical providers is an especially important consideration for people with disabilities or significant health issues. Both MAWD and Marketplace plans can offer sufficient access to providers. The important consideration for individuals is to identify the doctors, specialists, hospitals, medications and any other providers critical to their care and determine if a MAWD plan or a Marketplace plan includes those providers.

- o **Extra Services** – Will you need transportation to get to your doctor?

Generally, Marketplace plans do not provide assistance with transportation. However, MAWD coverage includes the Medical Assistance Transportation Program that provides enrollees with rides to and from their medical appointments through paratransit or mileage reimbursement for individuals using their own or other’s vehicles.

### Comparing MAWD and Marketplace Plans in 2015 for a Single 45-Year-Old in Allegheny County Earning \$28,000 a Year

	<b>MAWD</b>	<b>Marketplace – Silver Plan</b>
<b>Monthly Premium</b>	\$57 - \$116 (depending on source of income)	\$178
<b>Annual Deductible</b>	None	\$1,750
<b>PCP Co-Pay</b>	\$3.80 maximum	\$20
<b>Specialist Co-Pay</b>	\$3.80 maximum	\$80
<b>Generic Drug Co-Pay</b>	\$1	\$8
<b>Brand Name Drug Co-Pay</b>	\$3	\$45
<b>Benefit Limits</b>	Limited Dental benefits	Limits on PT, OT, Speech. NO Dental coverage

## Comparing MAWD and Marketplace Plans in 2015 for a Single 55-Year-Old in Philadelphia County Earning \$18,000 a Year

	<b>MAWD</b>	<b>Marketplace - Silver Plan</b>
<b>Monthly Premium</b>	\$43 - \$74 (depending on source of income)	\$62
<b>Annual Deductible</b>	None	\$250
<b>PCP Co-Pay</b>	\$3.80 maximum	\$10
<b>Specialist Co-Pay</b>	\$3.80 maximum	\$30
<b>Generic Drug Co-Pay</b>	\$1	\$5
<b>Brand Name Drug Co-Pay</b>	\$3	\$50
<b>Benefit Limits</b>	Limited Dental benefits	Limits on Chiropractic services, PT, OT, Speech. NO Dental coverage

Using the above examples, consider an individual with an intellectual disability who also has diabetes. This person likely sees his Primary Care Physician (PCP) and specialist frequently and takes several medications each month. In the comparisons of the 45-year-old in Allegheny County or the 55-year-old in Philadelphia, MAWD is by far the more affordable option. A possible reason to consider one of the Marketplace plans over MAWD is if the consumer can access his providers in one of the Marketplace plans but not through any of the MAWD plans. Obviously, cost is not the only factor in considering a plan choice; consumers must also weigh the value of accessing a particular doctor, specialist, medication or hospital.

### Frequently Asked Questions

*Question:* Who should consider MAWD?

*Answer:* Anyone who meets the eligibility criteria should consider MAWD, including those who receive SSDI. When individuals are determined eligible for SSDI, they qualify for Medicare but only after a 24-month waiting period. Persons receiving Social Security Disability Insurance (SSDI) in the 24-month-waiting period for Medicare could be a candidate for MAWD. For those working or able to do some work, MAWD is likely more comprehensive and affordable than a Marketplace plan. Additionally, MAWD can continue as a secondary insurance once the person's Medicare begins. This is not true of a Marketplace plan since those with Medicare are restricted from enrolling in the Marketplace.

*Question:* How does a consumer with Marketplace coverage transfer to Medicaid?

*Answer:* While remaining in their Marketplace plan, an individual can apply for MAWD. If determined eligible by receiving written notification from the County Assistance Office, then the consumer can disenroll from their Marketplace plan by calling the Marketplace at 1-800-318-2596 or by logging into their account at [www.healthcare.gov](http://www.healthcare.gov). It is also advisable to call the Marketplace health plan and cancel with them as well.

*Question:* What if a consumer has MAWD and stops working or goes over the income or resource limit?

*Answer:* If an individual has MAWD and loses eligibility for whatever reason, she can quickly enroll in a Marketplace plan. Individuals who lose “minimum essential coverage” such as Medicaid qualify for a special enrollment period with the Marketplace. As soon as a consumer knows the MAWD coverage is ending, she can call or go to [www.healthcare.gov](http://www.healthcare.gov) to enroll in a Marketplace plan.

## Conclusion

As stated at the outset, health coverage through MAWD will generally be a better option financially than Marketplace plans for eligible individuals. However, careful consideration is necessary for consumers to make the best selection for their unique health care needs.

Pennsylvanians with disabilities who meet the criteria are fortunate to have MAWD as an alternative to health insurance through a Marketplace plan. Individuals, family members, navigators and advocates with questions about choosing between MAWD and a Marketplace plan can contact the Pennsylvania Health Law Project Helpline at 1-800-274-3258.

This publication is intended to provide general legal information, not legal advice. Each person's situation is different. If you have questions about how the law applies to your particular situation, please consult a lawyer or call the Helpline at 1-800-274-3258.

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