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General Assistance Medical Care

General Assistance Medical Care (GAMC) is a state-funded program that pays for certain health care services for Minnesota residents whose income and resources are insufficient to cover their expenses and who are not eligible for other health care programs. This information brief describes eligibility, covered services, and other aspects of the program. The information brief also provides information related to the line-item veto and unallotment of GAMC funding.

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Administration

Minnesota State Legislature

The legislature established GAMC in 1975. The state law includes provisions for funding and administration and gives certain program authority to the Minnesota Department of Human Services (DHS). The program was implemented on January 1, 1976.

State Department of Human Services

State law gives DHS authority to fund and administer the program. DHS administrative policy sets requirements related to eligibility, the provision of health care services, state and county duties, and provider payments.

Counties

County human services agencies determine eligibility for GAMC. The counties are responsible for the costs of administering the GAMC program at the local level.

Eligibility Requirements

General Requirements

In order to be eligible for GAMC, an individual must:

- reside in Minnesota;
- meet GAMC asset and income limits;
- not be eligible for Medical Assistance (MA) benefits;
- meet one of the following GAMC qualifying statuses:
 - ▶ receive General Assistance (GA) or Group Residential Housing (GRH) payments;
 - ▶ be awaiting a disability determination from the Social Security Administration or the State Medical Review Team;
 - ▶ be unable to meet the MinnesotaCare six-month durational residency requirement;
 - ▶ be homeless;
 - ▶ be entitled to Medicare due to end-stage renal disease;
 - ▶ be enrolled in private health coverage;
 - ▶ be detained by law for less than one year in a county correctional or detention facility or admitted to a hospital on a criminal hold order, and meet other criteria;
 - ▶ receive treatment funded through the Consolidated Chemical Dependency Treatment Fund; or
 - ▶ reside in the Minnesota sex offender program;
- not be a parole violator or a fleeing felon and meet certain criteria if convicted of a drug offense (see Minn. Stat. § 609B.425);
- cooperate with the local agency in determining whether the applicant meets MA eligibility requirements; and
- assign any medical support and insurance benefit rights to DHS.

GAMC eligibility must be redetermined every 12 months for those on a fixed income and every six months for all others.

Eligibility Groups

GAMC is available for the following groups of individuals:

1. Individuals receiving GA or GRH payments if they are not otherwise eligible for MA
2. Individuals who do not receive GA or GRH, but who meet the GAMC income limit (75 percent of the federal poverty guidelines or FPG) and asset limit (\$1,000 per household, excluding specified assets), and meet one of the GAMC qualifying statuses
3. Individuals with incomes greater than 75 percent but not exceeding 175 percent of FPG, who meet the asset limit used by MA for families and children (\$10,000 for a household of one and \$20,000 for a household of two or more, excluding specified assets), and who apply during a hospital stay. These individuals receive GAMC hospital-only coverage.

Covered services and cost-sharing requirements for these groups vary and are summarized in the table below.

Table 1
GAMC Eligibility Groups

Eligibility Group	Income Limit	Asset Limit	Covered Services	Cost-Sharing
1. GA and GRH recipients	GA limit (\$203/month for one person; \$260 for married couple) or GRH limit ¹	GA limit (\$1,000 per assistance unit) or GRH limit ²	All covered services	Copayments
2. Other individuals eligible for full coverage	75 percent of FPG	\$1,000 per household	All covered services	Copayments
3. Individuals eligible for hospital-only coverage	Greater than 75 percent but not exceeding 175 percent of FPG	\$10,000 per household of one/\$20,000 per household of two or more	Inpatient hospital services and physician services provided during inpatient stay	\$1,000 deductible for each hospitalization

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¹ GRH is a state program that provides payments for room and board and related housing services to persons who are aged, blind, or disabled, or who are potentially eligible for GA. GRH recipients must have net incomes that are less than the GRH assistance standard, which, effective July 1, 2009, is \$846 per month plus any applicable supplemental rate.

² The GRH asset limit is \$2,000 for all recipients who are aged, blind, or disabled and \$1,000 for all other recipients, after applicable asset exclusions.

Enrollment in MinnesotaCare

Since September 1, 2006, certain GAMC applicants and recipients eligible for full coverage have been required to enroll in the MinnesotaCare program as adults without children. These individuals are exempt for up to six months from MinnesotaCare premiums,³ income and asset limits, and eligibility criteria related to lack of health coverage and lack of access to employer-subsidized health insurance. GAMC applicants and recipients are exempt from the MinnesotaCare enrollment requirement if they are any of the following:

1. Eligible for GAMC as GA or GRH recipients
2. Awaiting a determination of blindness or disability
3. Unable to meet the MinnesotaCare residency requirement
4. Homeless
5. End-stage renal disease beneficiaries in the Medicare program
6. Persons enrolled in private health coverage
7. Certain persons detained by law for less than one year in a county correctional or detention facility or admitted to a hospital on a criminal hold order
8. Persons who receive treatment funded through the Consolidated Chemical Dependency Treatment Fund
9. Persons residing in the Minnesota sex offender program.

Residency

To be eligible for GAMC, an individual must be a resident of Minnesota. A “resident” is defined as a person living in the state for 30 days, with the intention of making a home here and not for any temporary purpose. County agencies are required to waive the 30-day residency requirement in cases of medical emergencies. Migrant workers who have worked in Minnesota within the last 12 months and have earned at least \$1,000 in wages from this employment are exempt from the 30-day residency requirement.

Asset Limits

To be eligible for GAMC, the assets of applicants with incomes not exceeding 75 percent of FPG cannot exceed \$1,000 per household, excluding exempt assets. The assets of applicants with incomes greater than 75 percent but not exceeding 175 percent of FPG (i.e., those applying for GAMC hospital-only coverage) cannot exceed \$10,000 for a household of one and \$20,000 for a

³ County agencies are required to pay the enrollee share of premiums for these individuals for six months and have the option of continuing to pay these premiums beyond this period.

household of two or more persons, excluding exempt assets. Asset exemptions are determined using the standards of the MA program.

Certain items are not considered assets when determining GAMC eligibility for individuals with incomes not exceeding 75 percent of FPG, including the following:

- The homestead
- Household goods and personal effects
- Personal property used as a regular abode
- A burial plot for each member of the household
- Life insurance policies and assets for burial expenses, up to the limits established for the Supplemental Security Income (SSI) program
- Capital and operating assets of a business necessary for the person to earn an income
- Insurance settlements for damaged, destroyed, or stolen property, which are excluded for nine months and may be excluded for up to nine additional months under certain conditions
- One automobile that is used for transportation of the enrollee or a household member of the enrollee

Certain items are not considered assets when determining eligibility for individuals with incomes greater than 75 percent but not exceeding 175 percent of FPG eligible for hospital-only coverage, including the following:

- The homestead
- Household goods and personal effects
- A burial plot for each member of the household
- Life insurance policies and assets for burial expenses, up to the limits established for the Supplemental Security Income (SSI) program
- Capital and operating assets of a business up to \$200,000
- Insurance settlements for damaged, destroyed, or stolen property, which are excluded for three months if held in escrow
- A motor vehicle for each person who is employed or seeking employment
- Court-ordered settlements of up to \$10,000
- Individual retirement accounts and funds
- Assets owned by children

Income Limits

To be eligible for GAMC, an applicant must have gross income that is equal to or below the income limit set by the state legislature. The income limit for GAMC full coverage is 75 percent of FPG. Individuals with incomes greater than 75 percent but not exceeding 175 percent of FPG are eligible for GAMC hospital-only coverage. (See table on page 9.)

In determining whether an applicant meets the program income limits, specified types of income, such as federal and state tax refunds and food stamp benefits, are excluded from gross income.

Benefits

Covered Services

GAMC enrollees eligible for full coverage (those receiving GA or GRH payments, or with incomes not exceeding 75 percent of FPG who meet the program asset limit and one of the program qualifying statuses) receive most, but not all, of the services provided to MA recipients. The following health care services are available under the GAMC program to enrollees eligible for full coverage:

- Ambulance services
- Care coordination and patient education services provided by a community health worker
- Chemical dependency services
- Chiropractic services as covered under the MA program
- Dental services⁴
- Eyeglasses and eye examinations
- Family planning
- Hearing aids and prosthetic/orthotic devices
- Inpatient hospital services
- Laboratory and x-ray services
- Medical supplies and equipment
- Mental health services
- Outpatient hospital services
- Physician services, including services provided by a nurse practitioner
- Podiatric services
- Prescription drugs
- Psychological services
- Public health nursing services provided by a unit of government
- Services provided by Medicare-certified rehabilitation agencies
- Vision care

Enrollees with incomes greater than 75 percent but not exceeding 175 percent of FPG are covered only for inpatient hospital services, including physician services provided during an inpatient stay.

The following services are not covered under GAMC:

- Home health care services
- Nursing facility services
- Therapy services provided by independently enrolled providers
- Pregnancy and related services⁵

⁴ GAMC covers the dental services covered under Medical Assistance (MA). Effective January 1, 2010, MA coverage of dental services for adults who are not pregnant (and therefore GAMC coverage of dental services) will be limited to specific services (see Minn. Stat. § 256B.0625, subd. 9 (Supp. 2009)).

- Services in an intermediate care facility for persons with mental retardation and related conditions (ICF/MR)

Cost-Sharing

Enrollees who are GA recipients, or have incomes not exceeding 75 percent of FPG, are subject to the following copayments:⁶

- \$25 for nonemergency visits to an emergency room
- \$3 per brand-name prescription and \$1 per generic prescription, subject to a \$7 per-month limit. Antipsychotic drugs are exempt from copayments when used for the treatment of mental illness.

Health care providers are responsible for collecting the copayment; GAMC reimbursement to a provider is reduced by the amount of the copayment. A provider cannot withhold services from an enrollee who does not pay the copayment.⁷

Enrollees with incomes greater than 75 percent but not exceeding 175 percent of FPG who qualify for hospital-only coverage are subject to a \$1,000 deductible for each hospitalization.

GAMC Managed Care

GAMC enrollees receive services under either a fee-for-service system, through prepaid health plans under the prepaid GAMC program, or through a county-based purchasing initiative. Prepaid GAMC has been implemented since the mid-1980s in coordination with the Prepaid Medical Assistance Program (PMAP). County-based purchasing was authorized by the legislature in 1997. Counties implementing county-based purchasing are responsible for providing all covered services to enrollees, either through their own provider networks or by contracting with prepaid health plans and providers. DHS payments to counties under county-based contracting cannot exceed GAMC payment rates to prepaid health plans.

As of July 2009, 19,928 GAMC recipients were enrolled in either prepaid GAMC or a county-based purchasing initiative.

⁵ GAMC enrollees who are pregnant qualify for coverage of these services under Medical Assistance and/or Emergency Medical Assistance.

⁶ The \$3 copayment for nonpreventive visits was eliminated January 1, 2006. The monthly limit on prescription drug copayments was reduced from \$20 to \$12, effective January 1, 2006, and further reduced to \$7 effective July 1, 2009. A copayment of \$25 for eyeglasses and a 50-percent coinsurance requirement for basic restorative dental services were eliminated July 1, 2009.

⁷ Minnesota Statutes, section 256B.0631, subdivision 4, allowed providers who routinely refused services to individuals with uncollected debt to include uncollected copayments as bad debt and deny services to enrollees. The Ramsey County District Court in *Dahl et al. v. Goodno*, court file number C9-04-7537, ruled that this provision was preempted by federal law. This provision was repealed January 1, 2009.

Fee-for-Service Provider Reimbursement

Under fee-for-service GAMC, the individuals and institutions that provide medical services to GAMC recipients are reimbursed for those services directly by DHS. Generally, GAMC reimburses providers at the same rates used by the MA program.

Funding and Expenditures

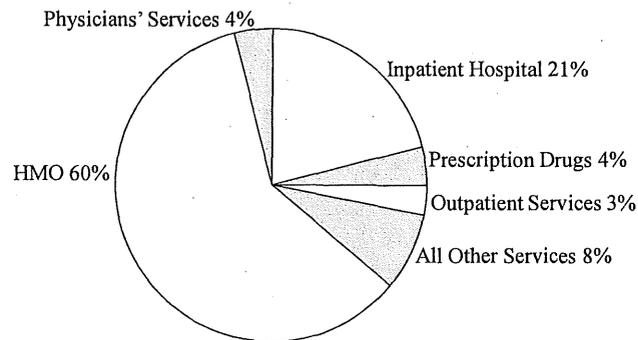
The GAMC program is funded solely by state dollars. There is no federal funding for GAMC. Beginning January 1, 1991, the state assumed responsibility for the historic county share of 10 percent of GAMC costs.

During state fiscal year 2008, the state spent \$262,835,029 in payments to health care providers for GAMC services.

Recipients

In fiscal year 2008, an average of 28,165 persons were eligible to receive GAMC services each month.

**GAMC Spending on Services
FY 2008**



Source: DHS November 2008 Forecast

Table 2
**GAMC Income Limit – Federal Poverty Guidelines⁸
for 7/1/09 through 6/30/10 – 12-month period**

Household Size	75% of FPG	175% of FPG
1	\$8,124	\$18,960
2	10,932	25,512
Each Additional Person	2,808	6,552

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Elimination of GAMC Funding

On May 14, 2009, the governor line-item vetoed the \$378,000,000 fiscal year 2011 general fund appropriation for GAMC in the health and human services finance bill (Laws 2009, ch. 79/H.F. 1362). The fiscal note⁹ for the line-item veto assumes that coverage for GAMC services will need to be terminated April 1, 2010, due to the lag in provider billing for services and the need to pay program expenditures out of the fiscal year 2010 appropriation. Coverage would be eliminated for the regular GAMC program; DHS is currently determining whether coverage would need to be eliminated under the MinnesotaCare transition program described earlier.

In June 2009, the governor announced that he would reduce the fiscal year 2010 general fund appropriation for GAMC by \$15,000,000 through unallotment. DHS projects that the GAMC program, given this action, will have sufficient funding available to pay for coverage up to March 1, 2010, and is examining whether the GAMC appropriation, after unallotment, will be sufficient to continue the program until April 1, 2010.

DHS is assessing and analyzing options under current law (subject to any action by the legislature) to provide health care services to current GAMC enrollees and individuals who otherwise would have been eligible for the program. Final decisions on a number of issues have not been made at the time of writing.

MinnesotaCare for Persons Otherwise Eligible for GAMC

The MinnesotaCare program is a potential coverage option for individuals who would otherwise be covered under GAMC. One reason is that the MinnesotaCare income and asset limits are higher than the respective limits for GAMC. However, some MinnesotaCare program features may make that program less than an ideal fit for the former GAMC population, in part because MinnesotaCare: (1) requires enrollees to pay premiums; (2) does not allow coverage from the

⁸ Federal poverty guidelines are updated every year, usually in February. New DHS income standards based on updated guidelines are effective July 1 of each year.

⁹ Consolidated Fiscal Note – 2009-10 session, H.F. 1362-4E, May 15, 2009, Omnibus HHS Line-Item Veto Provision.

date of application as does GAMC; and (3) applies a \$10,000 annual limit on inpatient hospital services provided to adults without children.

The fiscal note for the line-item veto of GAMC funding states that more than 90 percent of GAMC enrollees will be eligible for MinnesotaCare. The fiscal note projects that about 75 percent of GAMC managed care capitation payments will shift to MinnesotaCare. The fiscal note assumes that most of the 25-percent reduction in capitation payment is due to former GAMC enrollees failing to pay MinnesotaCare premiums (mainly because they are unable to afford the premiums or unable to complete the MinnesotaCare application process). The estimate of a 25-percent reduction assumes that counties and other entities will assist individuals who would otherwise have been eligible for GAMC in paying MinnesotaCare premiums. To the extent that this does not occur, the percentage of individuals in this group who do not switch to MinnesotaCare will probably increase. Also, about 2 percent of former enrollees are projected as being unable to meet the MinnesotaCare 180-day residency requirement, and a small number of additional individuals will not enroll in MinnesotaCare because they are eligible for Medicare, have other health coverage, or are ineligible for the program due to incarceration.¹⁰

The table below summarizes some of the differences between the GAMC and MinnesotaCare programs.

Table 3
Comparison of the GAMC and MinnesotaCare Programs

	GAMC (full coverage)	MinnesotaCare (adults without children)
Income limit	75% FPG	250% FPG
Asset limit, after exclusions	\$1,000 (\$2,000 for Group Residential Housing recipients)	\$10,000 household of 1/\$20,000 household of 2 or more
Durational residency requirement	30 days	180 days
Premiums	None	Sliding scale ¹¹
Effective date of coverage	Date of application (allows limited retroactive coverage, e.g. if individuals apply as part of an inpatient stay)	First day of month following month in which premium payment received; limited retroactive coverage ¹² for persons terminated from GAMC

¹⁰ Individuals who apply for GAMC or MinnesotaCare while residing in a correctional facility are not eligible for those programs. GAMC enrollees who are incarcerated after GAMC enrollment can remain on that program if they are expected to be detained for less than one year and continue to meet program requirements, but would not be eligible for MinnesotaCare if they apply for that program (due to GAMC termination) while residing in a correctional facility.

¹¹ At 75 percent of FPG (the GAMC income limit for full benefits), the MinnesotaCare premium for one individual is \$11 per month. At 25 percent of FPG, the MinnesotaCare premium for one individual is \$4 per month (92 percent of GAMC enrollees have income under 25 percent of FPG, according to a DHS analysis of individuals enrolled in GAMC for at least one month in fiscal year 2008). County agencies and other entities have the option of paying the MinnesotaCare sliding scale premiums for MinnesotaCare enrollees.

¹² MinnesotaCare provides limited retroactive coverage for individuals who are terminated from GAMC or MA. For these individuals, coverage is effective the first day of the month following termination, if the individual

	GAMC (full coverage)	MinnesotaCare (adults without children)
Other health coverage	May have other health coverage; program pays enrollee premiums, deductibles, and cost-sharing for cost-effective coverage	May not have other health coverage; four-month uninsured requirement; no current access to employer-subsidized insurance and no access through current employer in past 18 months
Covered services	No inpatient hospital annual limit Covered by GAMC but not MinnesotaCare: <ul style="list-style-type: none"> • Common carrier transportation/mileage reimbursement • Limited orthodontia 	\$10,000 inpatient hospital annual limit Covered by MinnesotaCare but not GAMC: <ul style="list-style-type: none"> • Certain home care services • Hospice care
Cost-sharing	<ul style="list-style-type: none"> • \$25 nonemergency visit to ER • \$3 brand-name, \$1 generic prescriptions/\$7 monthly limit 	<ul style="list-style-type: none"> • \$6 nonemergency visit to ER • \$3 all prescriptions, no monthly limit • \$25 eyeglasses • \$3 nonpreventive visits • 10% coinsurance for inpatient hospital charges, up to \$1,000 per adult

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submits a written request for retroactive MinnesotaCare coverage and a completed application, within 30 days of the mailing of the termination notice. The applicant must provide all required verifications within 30 days of submitting the written request for retroactive coverage, and must pay premiums for the retroactive month, current month, and next month within 30 days of the premium billing.

Appendix – GAMC Enrollee Characteristics

This appendix provides information on the demographics, income, and health status of GAMC enrollees.

Source: Unless otherwise noted, the information on GAMC enrollees in the tables that follow is from an analysis by the Department of Human Services of 34,722 individuals with at least one month of GAMC eligibility in fiscal year 2008. Individuals covered under transitional MinnesotaCare were not part of the analysis. GAMC hospital-only enrollees are included in the analysis.

A. Demographics

1. Gender

- About two-thirds of GAMC enrollees are men.

Gender	Number of Enrollees	Percentage of Total Enrollment
Male	22,787	65.63%
Female	11,935	34.37

2. Age

- GAMC enrollees are fairly evenly distributed across age cohorts between ages 21 and 60.

Age	Number of Enrollees	Percentage of Total Enrollment
0-20	4	0.01%
21-30	9,153	26.36
31-40	7,172	20.66
41-50	10,323	29.73
51-60	6,800	19.59
61-65	1,267	3.65
66-70	3	0.01
Total	34,722	100.00%

Note: Recipients below age 21 and over age 65 are mainly due to incorrect coding and unusual eligibility situations.

3. Race/ethnicity

- About four out of ten GAMC enrollees are from populations of color.

Race/Ethnicity	Number of Enrollees	Percentage of Total Enrollment
Asian/Pacific Islander	695	2.00%
African American	10,805	31.12
Native American	2,686	7.74
White	19,545	56.29
Multiple race codes	270	0.78
Not listed/no data on file	721	2.07
Total	34,722	100.00%

4. Status as homeless

- About one out of four GAMC enrollees report being homeless.

Homeless Status	Percentage of Total Enrollment
Yes	27.166%
No	74.16
Blank	0.19

Note: Figures do not include enrollees coded as being homeless who had a general delivery address. Inclusion of this group would bring the percentage of homeless to 33.22 percent. DHS has noted that the indicator for being homeless may be error prone—eligibility workers may not always remove the indicator when an individual obtains a permanent address.

B. Income

1. Total income

- More than nine out of ten GAMC enrollees have incomes less than 25 percent of the federal poverty guidelines (about \$226/month for a household of one).

Income Level	Percentage of Total Enrollment
< 25% of FPG	92.0%
25 – 50% FPG	2.0
>50% FPG	6.0

Source: October 2008 data, DHS Reports and Forecasts Division.

2. Earned income

- 10 percent of GAMC enrollees (3,363 individuals) reported earned income.

For these individuals:

- ▶ the median range of hours worked per month was between 61-80

- ▶ the median monthly earned income range was \$601-700
- ▶ 46.8 percent of enrollees with earned income had started a job within two months prior to the reporting month

3. Unearned income

- About one-half of GAMC enrollees (17,375 individuals) were receiving General Assistance. This program provides a cash grant of \$203 per month.
- 4 percent of GAMC enrollees (1,506 individuals) reported receiving unearned income other than GA (these individuals may also have been receiving GA). For these individuals, the most common sources of unearned income included:

Type of Unearned Income Received	Percentage of All Individuals Receiving Unearned Income
Social Security – retirement or survivor’s benefits	18.8%
Unemployment benefits	17.2
VA benefits	13.0
Social Security disability or SSI	12.0
Other	19.7
Note: Individuals may be receiving more than one type of unearned income. The table does not include all income categories and therefore does not total to 100 percent.	

4. Potential eligibility for other benefits

- About four out of ten GAMC enrollees are potentially eligible for benefits from other programs.

Thirty-eight and one-half percent of GAMC enrollees (13,367 individuals) were determined by caseworkers to be potentially eligible for benefits from other programs in their most recent month of eligibility in fiscal year 2008. The most common programs for which enrollees were potentially eligible were SSI (95 percent of potentially eligible individuals) and Social Security disability and nondisability-related programs (58 percent of potentially eligible individuals).

The status of the eligibility determination for other benefits, for those 15,616 cases for which information was available, was as follows:

- ▶ 65 percent – determination pending
- ▶ 16 percent – eligibility denied
- ▶ 14 percent – decision on appeal

C. Health Status

1. Chemical or mental health diagnosis

- About six out of ten GAMC enrollees have a mental health and/or chemical health diagnosis.

Diagnosis	Number of Enrollees	Percentage of Total Enrollment
Mental health only	4,607	13.3%
Chemical health only	5,593	16.1
Mental health and chemical health	10,771	31.0
No mental or chemical health	13,751	39.6
Total	34,722	100.0%

2. Chronic medical illness

- About three out of ten GAMC enrollees have a chronic medical illness.

Diagnosis Category	Number of Enrollees	Percentage of Total Enrollment
One diagnosis category	6,696	19.3%
Two diagnoses categories	2,820	8.1
Three or more diagnoses categories	1,061	3.1
No diagnosis categories	24,145	69.5
Total	34,722	100.0%

Note: A chronic medical illness is defined as specified ICD-9 codes related to diabetes, heart disease, hypertension, asthma, chronic liver disease, and chronic kidney disease.

For more information about health care programs, visit the health and human services area of our web site, www.house.mn/hrd/hrd.htm.