
Persons with Intellectual and Developmental Disabilities (IDD) Who Have Medicaid and Private Health Insurance

1. Can a person with a disability have both private health insurance and Medicaid?

Yes, a person with a disability can have both private health insurance and Medicaid. Individuals with IDD who are age 18 and older frequently have both Medicaid and private health insurance through their parent's group health insurance coverage.

2. Why is it important for a person with IDD who already has private health insurance, to have Medicaid also?

In order to access NJ Division of Developmental Disabilities (DDD) services at age 21, individuals with IDD are required to have Medicaid.¹ The best way for a person with IDD to receive Medicaid is by applying for Supplemental Security Income (SSI). When the individual is determined to be eligible for SSI, he/she will automatically receive Medicaid also. (See also the Fact Sheet on SSI.)

3. Is there any negative impact on a person's private health insurance if he/she has Medicaid also?

There is no negative impact on the person's private health insurance by having Medicaid also. The private health insurance is the "first payer", and Medicaid is the "payer of last resort."

4. If individuals have both private health insurance and Medicaid, will they lose access to the doctors they have seen through the parent's private insurance coverage?

When individuals with disabilities receive Medicaid in addition to their private health insurance, they will not lose access to any of the doctors they have seen through their private health insurance coverage.

5. When a person has both private health insurance and Medicaid, will he/she have any additional benefits through the Medicaid coverage?

When medically necessary, Medicaid covers some health services that are usually not covered by private health insurance, e.g., incontinence supplies and personal care assistance services for people with significant disabilities who need help with the activities of daily living (ADLs), such as bathing, dressing, feeding, etc.

¹ Occasionally, the parent of an individual with IDD has retired, become disabled, or died before the son/daughter's 18th birthday. In these situations, it is likely that the son/daughter with IDD has been receiving a substantial Social Security Disability (SSD) benefit on the parent's work history *before* they could have applied for SSI. DDD recognizes that individuals in this situation are probably not able to obtain SSI or Medicaid. There is a process to document this type of situation, which will allow the individual with IDD to be eligible for DDD Services. Please contact info@arcnj.org for further information.

6. When a person starts to receive NJ Medicaid, what are the basic aspects of the Medicaid system that one should understand?

In New Jersey, the Medicaid system is known as NJ FamilyCare. Everyone who has Medicaid/NJ FamilyCare is required to be enrolled in a Medicaid managed care organization (MCO). Currently, there are 5 Medicaid MCOs in New Jersey:

- Aetna Better Health of New Jersey
- Amerigroup, New Jersey
- Horizon NJ Health
- United Healthcare Community Plan
- WellCare Health Plans of New Jersey

Within a couple of weeks of being eligible for Medicaid, an individual will need to select a Medicaid MCO, and if a selection is not made quickly, the person will be auto-assigned. However, if they want to switch to another MCO, they may do so without any penalty by calling 1-800-701-0710. For further information, please see the NJ Medicaid website:

<http://www.state.nj.us/humanservices/dmahs/clients/medicaid/>

7. Can a person with IDD continue to have the parent's group health insurance after the age of 26?

All young adults can continue to be covered on their parents' private group health insurance until the age of 26. However, under New Jersey law, when young adults have a disability, they can remain on their parent's fully insured group health plan after age 26 – and they can continue to have this private health insurance in addition to having Medicaid coverage. To qualify for continuation of the parent's private group health insurance, the young adult child must be incapable of self-sustaining employment by reason of the disability and must remain chiefly dependent on the parent(s) for support and maintenance. Proof of incapacity must be furnished to the health insurance plan before the date on which the dependent coverage would normally end. The plan may require the parent to continue furnishing proof of disability and dependency in the future.

It is suggested that the parent contact the health insurance administrator at their place of employment a few months prior to their child's 26th birthday to obtain the proper forms and submit the necessary documentation in a timely manner. Occasionally, additional documentation of the disability may be required.

Although New Jersey law addresses continued coverage of a disabled dependent who was covered under the policy prior to the attainment of the limiting age, the law does not require that such coverage be maintained if the parent's coverage changes. For example, if the parent changes jobs after the child has attained age 26, the law does not require the new plan to make coverage available to the disabled adult child. Even though the coverage is not required it is possible the new plan will allow it. By all means – ask!

8. Is there any reason to consider alternate insurance options?

If the group health plan under which a disabled child is being continued is subject to the rating requirements of the Affordable Care Act, the rate for an adult dependent child will be an adult rate (and not a child rate) as has been the case in prior years. Thus, the cost to continue an adult dependent child under a group plan may not be the best value. Parents should explore individual coverage options both in terms of monthly cost and the benefits provided. Information on individual coverage can be found on www.dobi.nj.gov/ihc/