

## **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.

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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;
- receive General Assistance (GA) or Group Residential Housing (GRH) payments, or meet GAMC asset and income limits;
- not be eligible for Medical Assistance (MA) benefits;
- cooperate with the local agency in determining whether the applicant meets MA eligibility requirements; and
- assign any medical support and insurance benefit rights to the DHS.

GAMC eligibility must be redetermined every 12 months.

### **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)

- 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**

<b>Eligibility Group</b>	<b>Income Limit</b>	<b>Asset Limit</b>	<b>Covered Services</b>	<b>Cost-Sharing</b>
1. GA and GRH recipients	GA limit (\$203/month for one person; \$260 for married couple) or GRH limit <sup>1</sup>	GA limit (\$1,000 per assistance unit) or GRH limit <sup>2</sup>	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

## **Enrollment in MinnesotaCare**

Effective September 1, 2006, certain applicants and recipients eligible for full coverage will be enrolled in the MinnesotaCare program as adults without children. These individuals will be exempt from MinnesotaCare premiums,<sup>3</sup> income and asset limits, and eligibility criteria related to lack of health coverage and lack of access to employer-subsidized health insurance, until their six-month renewal. Applicants and recipients eligible as GA or GRH recipients, who are awaiting a determination of blindness or disability, or who fail to meet the MinnesotaCare residency requirement are exempt from the MinnesotaCare enrollment requirement.

<sup>1</sup> Group Residential Housing (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, 2005, is \$713 per month plus any applicable supplemental service rate (\$456.75 per month), difficulty of care rate (\$461.36 per month), or other rate authorized by statutory exception.

<sup>2</sup> 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.

<sup>3</sup> County agencies will be required to pay the enrollee share of premiums for these individuals until their six-month renewal and have the option of continuing to pay these premiums past the first six-month renewal period.

## **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**

In order 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 cannot exceed \$10,000 for a household of one and \$20,000 for a 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 are excluded for nine months, and may be excluded for up to nine additional months under certain conditions
- a motor vehicle with a market value of less than \$4,500, or that is necessary for obtaining health services, employment, performing essential daily tasks, or that is modified for a handicapped person

Certain items are not considered assets when determining eligibility for individuals with incomes greater than 75 percent but not exceeding 175 percent of FPG, 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 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 8.)

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**

### **Benefits in General**

The following health care services are available under the GAMC program to enrollees with incomes that do not exceed 75 percent of FPG:

- Ambulance services
- Chemical dependency services
- Chiropractic services as covered under the MA program
- Dental services<sup>4</sup>
- Eyeglasses and eye examinations
- Family planning
- Hearing aids and prosthetic/orthotic devices
- Inpatient hospital services
- Laboratory and x-ray services
- Medical supplies and equipment
- 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

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<sup>4</sup> Coverage of dental services is subject to a \$500 annual limit, with emergency services, dentures, and extractions related to dentures excluded from the limit. Effective January 1, 2006, no annual limit will apply.

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.

In order to address the special needs of the mentally ill, GAMC covers the following additional services for eligible persons:

- Outpatient services provided by an authorized mental health center or clinic that is under contract with a county board
- Day treatment services provided under contract with a county board
- Medication prescribed for a person diagnosed as mentally ill who is at risk of being cared for in an institution
- Case management services and special transportation services for persons who would be eligible for MA if they did not reside in an institution for mental diseases<sup>5</sup>

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 services<sup>6</sup>
- Services in an intermediate care facility for persons with mental retardation and related conditions (ICF/MR)

## **Cost-Sharing**

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

- \$3 per nonpreventive visit, delivered by a physician or ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist (this copayment is eliminated January 1, 2006)
- \$25 for eyeglasses
- \$25 for nonemergency visits to an emergency room
- \$3 per brand-name prescription and \$1 per generic prescription, subject to a \$20 per month limit (the monthly limit is reduced to \$12 effective January 1, 2006). Antipsychotic drugs are exempt from copayments when used for the treatment of mental illness.
- 50 percent coinsurance for basic restorative dental services

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<sup>5</sup> An institution for mental diseases (IMD) is a hospital, nursing facility, or other institution of 17 or more beds that primarily provides diagnosis, treatment, or care to persons with mental illness.

<sup>6</sup> GAMC enrollees who are pregnant qualify for coverage of these services under Medical Assistance and/or Emergency Medical Assistance.

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, unless the provider routinely refuses services to individuals with uncollected debt. In this case, the provider may include unpaid copayments as uncollected debt and may deny services to an enrollee after giving advance notice.

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 September 2005, 27,402 GAMC recipients were enrolled in either prepaid GAMC or a county-based purchasing initiative.

## **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**

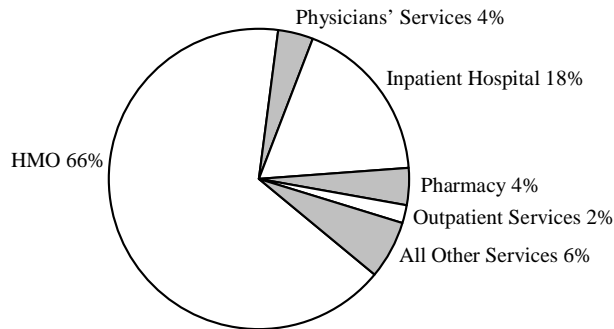
There is no federal funding for GAMC. From its inception in 1976 through 1990, the state paid 90 percent of the costs of GAMC benefits, and counties paid the remaining 10 percent of costs. Beginning January 1, 1991, the state assumed responsibility for the historic county share of 10 percent of GAMC costs.

During state fiscal year 2005, the state spent \$241,753,681 in payments to health care providers for GAMC services.

## Recipients

In fiscal year 2005, an average of 37,267 persons were eligible to receive GAMC services each month.

**GAMC Spending on Services  
 FY 2005**



Source: DHS Reports and Forecasts Division

**GAMC Income Limit – Federal Poverty Guidelines<sup>7</sup>  
 for 7/1/05 through 6/30/06 – 12-month period**

Household Size	75% of FPG	175% of FPG
1	\$7,188	\$16,752
2	9,636	22,464
3	12,084	28,176
4	14,532	33,888
5	16,980	39,600
6	19,428	45,312
7	21,876	51,024
8	24,324	56,736
9	26,772	62,448
10	29,220	68,160
Each Additional Person	2,448	5,712

House Research Department

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<sup>7</sup> 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.