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Loosen it up

Allow Medicaid recipients to keep more of their money

Feb 18, 2020



A proposal to allow some Maryland Medicaid recipients to have a personal needs allowance (PNA) of \$450 a month is well-intended, but it does not go far enough. (See: “Bill calls for personal needs allowance,” Feb. 17 Times-News, Page 1A.)

A PNA is the amount of money that those who receive Medicaid can keep from their personal income. Anything above that is applied to the cost of their care.

While there are various Medicaid eligibility groups, including low-income families, pregnant women and children, the bill now being considered in the Maryland General Assembly would specifically affect Maryland residents who are aged (65 and over), blind or disabled.”

Currently, recipients must have an income of less than \$350 a month to qualify. If they make more than, they must spend it down.

Margaret Peck, who is 82, told the Times-News last year that she receives about \$1,000 a month from Social Security, but must pay at least \$650 in medical bills each month — \$3,900 over a six-month period — before she can receive Medicaid medical assistance.

Try living on \$350 a month, even if you’re healthy — which Peck is not. She is confined to a wheelchair and requires assistance to do most things, including changing her clothes and using the toilet.

Maryland’s Medicaid program requires recipients to put all their financial resources toward their care, although they currently have a PNA of \$77 per month that is not factored into the total countable income. Income can include salaries, alimony or pension payments, Social Security and Social Security Disability Income, IRA withdrawals and stock dividends.

For single Medicaid recipients, there is an asset limit of \$2,500. That can include investments, checking and savings accounts and real estate where the recipient does not live. Exemptions are granted for personal belongings, household furnishings, one automobile, irrevocable burial trusts and the home in which the recipient lives.

Our delegation to the General Assembly — Sen. George Edwards and Dels. Mike McKay, Wendell Beitzel and Jason Buckel — is sponsoring legislation that would establish a \$450 monthly PNA for Medicaid recipients who are blind, disabled or aged.

The delegation also is submitting a bill that would put off for another year and a half the increase in Maryland's minimum wage hike to \$15 an hour. (See: "Delegation trying to delay minimum wage hike," Feb. 16 Times-News, Page 1A.)

Many feel the wage hike as it now stands will prove disastrous for small businesses in Allegany and Garrett County and other less-affluent areas of the state. The increase is to grow each year until takes full effect in 2025 (2026 for businesses having fewer than 15 employees).

Edwards said, "It's not that we are against people getting an increase in pay. We are trying to help the small businesses by just stretching it out another year and half to work it out more smoothly to help them out."

The minimum wage hike was passed last year after an emotional debate between those who want employees to earn "a living wage" and those who believe it will make many small businesses uncompetitive or force them to move to other states where the minimum wage is far less.

It's fine to have compassion for those who are willing to work to support themselves and their families, sometimes holding down several jobs.

However, we should also have mercy on those who through no fault of their own are blind, disabled or have become elderly and on limited incomes and would be even further devastated by astronomical bills for medical and long-term care.

Many of them — like Peck — face overwhelming financial challenges as it is. They shouldn't be further impoverished in order to qualify for the medical assistance they need to stay alive.

The \$450 a month PNA proposed by our delegation is a start, but it's not nearly enough.

People who work 40 hours a week at Maryland's \$15 an hour minimum wage will make \$600 a week before taxes — \$2,400 for a four-week month and \$31,200 for a 52-week year.

Even if the \$450 PNA bill is passed, Peck could keep only \$5,400 of the \$12,000 she receives each year from Social Security.

She and others like her should be allowed to retain more of what they have earned through what in Peck's case was 30 years of employment providing personal care for people in need.

At the very least, income from Social Security and Social Security Disability should be exempt from Maryland's Medicaid spend-down requirements.

Conversation

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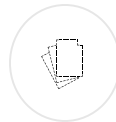


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