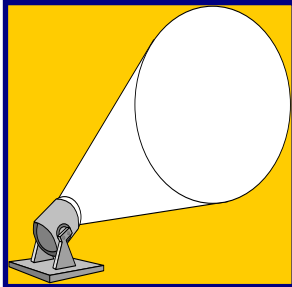


SPOTLIGHT...Medicaid for the working disabled...



Many individuals with disabilities are afraid to attempt to work because they fear losing Medicaid coverage. We need to assure our consumers that, in most cases, Medicaid coverage will continue, even if SSI checks stop due to earnings.

Section 1619(b) of the Social Security Act provides for this very important SSI work incentive.

In this issue, we “Spotlight” some important aspects of Medicaid under Section 1619(b) and show how a PASS can help an individual to become eligible for SSI and Medicaid.

WHAT'S INSIDE

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Who can qualify for Medicaid continuation under Section 1619(b)?

To qualify for Medicaid continuation under Section 1619(b), an individual must:

- Have been eligible for an SSI cash payment for at least 1 month; and,
- Still be disabled; and,
- Still meet all other eligibility rules, including the resources test; and
- Need Medicaid in order to work; and
- Have gross earned income that is insufficient to replace SSI, Medicaid, and any publicly funded attendant care.
(See the “threshold amount” section on page 2.)

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TAKING CARE OF AMERICANS WITH DISABILITIES

For the first 20 years of the program, Social Security offered no benefits for people with disabilities. In 1956, an amendment to the Social Security Act changed that by adding disability benefits for workers between the ages of 50 and 64 and benefits for adults disabled since childhood. In 1960, the law was changed again, allowing us to pay Social Security benefits to disabled workers of any age and their dependent family members. By the end of 1960, 559,000 people were getting Social Security disability benefits, and the average amount was \$80 per month. Today, more than five million disabled Americans get an average of \$822 monthly in Social Security disability benefits—and that's not counting about five million disabled Americans who benefit from the Supplemental Security Income (SSI) program. Do you know which president signed these amendments into law?

A. Franklin Roosevelt B. Harry Truman C. Dwight D. Eisenhower
D. John F. Kennedy
(See page 2 for the answer.)

What is the “threshold amount”???

The “threshold amount” is what we call the measure that we use to decide whether an individual’s earnings are high enough to replace the individual’s SSI cash payment and Medicaid benefits. The threshold amount varies from State to State because it is based on the amount of earnings that would cause the individual’s SSI cash payment to cease and on the annual per capita Medicaid expenditure for the individual’s state of residence. Basically, the threshold amount is the amount of earnings an individual can have and still qualify for Medicaid continuation under Section 1619(b).

The threshold amount is made up of the following:

- ◆ 2 x the annual State supplementation rate (if any), +
- ◆ 2 x the FBR + 85 x 12 = the base amount (the annual amount of earned income it takes to reduce the annual SSI Federal Benefit to zero), +
- ◆ the average per capita Medicaid expenses in the State. [POMS SI 02302.200](#)

The 1619 Medicaid Threshold Rates for 2003 are as follows:

State	2X the State Sup	Base Amount	Medicaid Threshold	
New Jersey	\$ 750.00	\$15,018.00 (\$14,268 + \$750)	\$12,126.00	\$27,144.00
New York	\$2,088.00	\$16,356.00 (\$14,268 + \$2,088)	\$17,780.00	\$34,136.00

Please note that it is possible for an individual to have a threshold amount higher than the amounts indicated above. If an individual has impairment related work expenses (IRWE); blind work expenses (BWE); publicly funded attendant or personal care; medical expenses above the state per capita amount; or, a Plan for Achieving Self-Support (PASS), an individual threshold amount can be established.

[POMS SI 02302.050](#) shows too how to calculate an individual threshold amount.



Did You Know ?

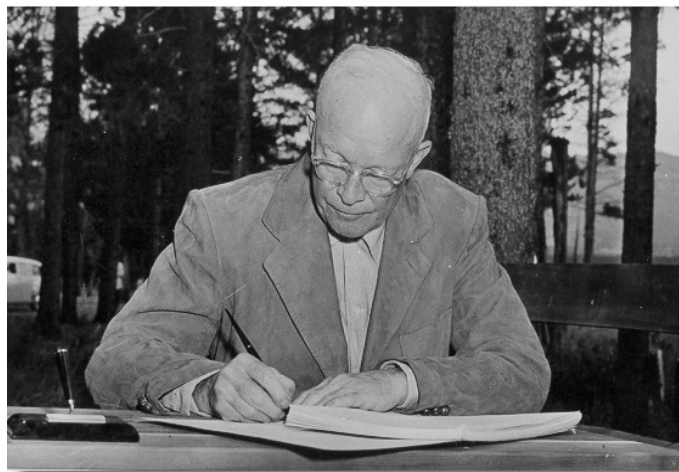
Anyone with a computer and internet access can check SSA Laws & Regulations on-line, including SSA’s operating manual, “POMS”. “POMS” is located in “Other Reference Materials.” The links shown below are also available from SSA’s Home Page at:

www.ssa.gov

SSA Program Rules

[Laws, regulations and rulings](#)
[Comments on Proposed Rules](#)
[Comment on Policy Issues](#)
[Other Reference Materials](#)

Who signed the disability amendments? c. President Eisenhower



President Eisenhower signing the 1954 Amendments into law while on vacation at Byers Peak Ranch near Fraser, Colorado-September 1, 1954.
SSA History Archives.

What is the process for establishing Medicaid eligibility under Section 1619(b)?

Consumer

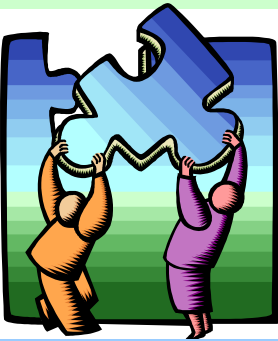
If an individual who is receiving SSI begins to work, they need to report the work to Social Security. If the individual's earnings are too high to continue to receive SSI cash benefits, the SSI checks will stop. Social Security will periodically contact the individual for a "1619(b) Redetermination" to make sure the individual:

- ☑ Is still disabled; and,
- ☑ Still meets all other SSI eligibility rules, including the resources test; and
- ☑ Needs Medicaid in order to work; and
- ☑ Has gross earned income below the threshold amount.
(Medicaid under Section 1619(b) can continue indefinitely as long as the individual continues to meet these requirements. It is very important for the consumer to complete the reviews.)

Social Security

Anytime an individual who receives SSI checks reports work, the Social Security representative should:

- ☑ Advise the individual how their reported work will affect their SSI cash benefits and Medicaid considering the various work incentives; and,
- ☑ Enter an accurate earnings estimate for the individual; and,
- ☑ Develop and document "Medicaid use" per POMS SI 02302.040 ff.; **AND,**
- ☑ Input the Medicaid Status Indicator per POMS SM 01305.975. **This last step is crucial in establishing continued Medicaid eligibility under Section 1619(b).**



PUTTING IT ALL TOGETHER:

Using a Plan for Achieving Self-Support (PASS) to become SSI/Medicaid eligible

Question: My SSDI benefit is too high to get SSI. Can I take advantage of a PASS?

Answer: YES!!! An individual who has income or resources that are too high to qualify for SSI benefits can use a PASS to become SSI/Medicaid eligible.

Mary's scenario: Mary contacted the Benefits Planning, Assistance & Outreach (BPAO) agency in her area because she heard they might be able to help her. Mary was assigned to a benefits adviser. Mary explained to the benefits adviser that she has been receiving SSDI for 4 years. Her monthly benefit amount as of January 2003 is \$ 760.00, too high to qualify for SSI. Mary currently has a \$200.00 per month Medicaid "spenddown". (Neighborhood Legal Services in Buffalo NY has a website with a great explanation of the Medicaid "spenddown" provisions: <http://www.nls.org/medicaid/spenddown.htm>)

Mary's vocational counselor has told her about a job opportunity as a Peer Advocate Counselor. Mary would start working now, part-time, 15 hours weekly at \$8.50 per hour. In addition, Mary would attend the local community college to obtain an Associates Degree in Human Services. She would like to start school part-time in Summer 2003 and then go full-time September 2003 through May 2005. In addition, her work hours would increase to 20 hours weekly in her last semester. She would be hired as a full-time permanent employee once she receives her Human Services Degree. Mary would like to take advantage of the job opportunity but she has many concerns that she cannot seem to work out:

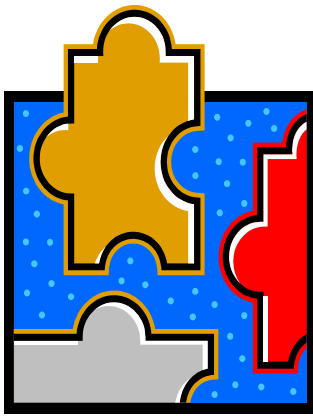
- She is just barely making ends meet now. She cannot possibly afford the added expense of school and transportation to school and work?
- She has difficulty concentrating. Her school counselor recommended a computer at home for her assignments and research. She can't possibly afford a computer.
- She will need a car to complete the internship portion of her degree program, and for work. She can't possibly afford a car.
- Her case manager told her that whatever she earns will increase her Medicaid spenddown. **HOW CAN WE HELP MARY?** (continued on page 4)

What is a BPAO?

The Ticket to Work and Work Incentives Improvement Act of 1999 authorized the Social Security Administration (SSA) to award one or more cooperative agreements in every State and US Territory, in order to provide all SSA disability beneficiaries (including transition aged youth) with access to benefits planning and assistances services.

The goal of the Benefits Planning, Assistance, and Outreach (BPAO) program is to better enable SSA's beneficiaries with disabilities to make informed choices about work.

To find the nearest BPAO Service Provider:
<http://www.ssa.gov/work/ServiceProviders/statebystate.html>



Mary's scenario continued: How can we help Mary? One piece at a time...

Mary's situation does seem overwhelming. On one hand, she really wants to try to work. On the other hand, it seems as if she can't afford to work. Mary's prescriptions cost \$500.00 per month. She needs Medicaid in order to help with her prescriptions and other medical expenses. Her case manager has advised her that if she works, her spenddown will go up so she would have to pay whatever she earns to keep her Medicaid. Also, she cannot afford the increased transportation costs to get to school and work let alone a computer.

Mary's benefits adviser assures her that there are programs that will help her to get the items and services she needs in order to achieve her work goal and helps Mary to put a plan together-one piece at a time.

VR Agency

First, Mary's benefits adviser tells her about the Office of Vocational and Educational Services for Individuals with Disabilities (VESID), the Vocational Rehabilitation agency in New York State. (Division of Vocational and Rehabilitation Services (DVRS) in New Jersey.) Mary's benefits adviser tells her that VESID can help with school costs not covered by TAP, PELL, including books and transportation costs. Since Mary has indicated that she will require a computer in order to attend college because of limitations caused by her disability, VESID may also be able to provide funds for the purchase. If not, purchase can be included in the second piece of Mary's plan---a PASS.

For more information about VESID programs and how to contact the VESID Office closest to you: Telephone: 1-800-222-JOBS or visit VESID online at New York State residents: <http://www.vesid.nysed.gov/>
New Jersey residents: <http://www.state.nj.us/labor/dvrs/vrsindex.html>

PASS

Next, Mary's benefits adviser explains that she can help her to complete a Plan for Achieving Self-Support (PASS). Mary says she was told by a friend that a PASS is only for people getting SSI. The benefits adviser explains that a PASS is a Supplemental Security Income (SSI) work incentive. However, a person can file a PASS and an application for SSI at the same time. **An individual can become SSI eligible with an approved PASS** because income and/or resources that are set aside in an approved PASS are not considered in determining SSI eligibility. Mary's benefits adviser explains that a PASS can help her get the items and services she needs to achieve her work goal that are not covered by another source such as VESID, TAP or PELL.

How would a PASS help Mary?

The benefits adviser explains that Mary could put the SSI countable portion of her SSDI check and wages into a PASS account each month to save for a car and any other items she needs in order to achieve her work goal. (Other items to consider: Professional work clothing, insurance for the car, warranty for the car.)

Mary's Financial Situation Without a PASS

SSDI benefit	\$ 760.00
Medicaid spenddown	- 200.00
Income available	\$ 560.00
No savings	

Additional earned income would increase the Medicaid spenddown, not Mary's available income.

Mary's Financial Situation With a PASS

SSDI benefit	\$ 760.00
Unearned income disregard	-20.00
SSI countable unearned income	\$ 740.00
Estimated wages	\$ 510.00
Earned income exclusion	-65.00
	\$ 445.00/2=
Countable earned income	\$ 222.50

How would
a PASS
help Mary?
cont'd

With an approved PASS, Mary can put her countable income into a PASS account to save for the car and other items she needs in order to achieve her job goal.

Countable SSDI	\$ 740.00	Available monthly income:	
Countable wages	\$ 222.50	From SSDI check	\$ 20.00
Amount of monthly savings	\$ 962.50	From wages (65.00 = 1/2)	\$ 287.50
		SSI check	\$ 639.00
		Total available income	\$ 946.50

Without an approved PASS, Mary has \$ 560.00 per month in available income, no savings, and no way to afford to save for the things she needs in order to work.

With an approved PASS, Mary will have \$ 946.40 per month in available income and \$ 962.50 per month in savings towards a car and the other items she needs in order to work. Also, by becoming eligible for SSI with the PASS, Mary will qualify for Medicaid under the 1619(b) provisions once she starts working full-time and her SSDI checks stop!

Working out
the details

Mary is excited and ready to begin. The benefits adviser assists Mary in scheduling an appointment with VESID and an appointment with Social Security to file the SSI application. Since Mary is not currently eligible for SSI, it is extremely important to contact Social Security immediately to schedule an appointment for the SSI claim to avoid any loss of benefits. Scheduling the appointment will protect the filing date for SSI benefits. When scheduling the appointment, make sure to point out that a PASS will be submitted with the SSI claim. If the PASS is not ready at the time the appointment comes up for the claim, the appointment can be rescheduled. To schedule an appointment with Social Security, call: 1-800-772-1213. If you have any problems, call your servicing PASS Cadre (see **“CONTACT US”** on page 1).

Mary’s vocational counselor is assisting her with the application for admission to the community college and with the financial aid forms.

Mary’s benefits adviser gives Mary an SSA-545 “Plan for Achieving Self-Support” application to look over and to complete as much as possible at home. The benefits adviser schedules another appointment with Mary to complete the PASS with her. It is very important to complete the PASS and SSI applications as soon as possible. The sooner Mary completes her PASS and SSI applications, the sooner she will be able to start saving money instead of paying it for Medicaid.

NEXT ISSUE

Coming up in our Spring 2003 issue...

Completing Mary’s PASS-We will continue with Mary’s scenario and give some pointers on how to complete the individual sections of her PASS application. We will discuss:

- “Timing the PASS.” When should it begin? End?
- Milestones-How detailed should they be? What needs to be included?
- Expenses- What should be included? **AND MUCH MORE!!!**