

# Medicaid Buy-In for Working People with Disabilities (MBI – WPD)



## Who is Covered?

- ◆ *Basic Coverage Group:* Workers who are at least 16 but under age of 65, who meet the SSI definition of disability.
- ◆ *Medical Improvement Group:* Workers who received coverage in the Basic Coverage Group and, on a continuing disability review, lost eligibility for that group as a direct and specific result of medical improvement but retain a severe medical impairment.

## Basic Coverage Group: Who Is Eligible?

### *Individuals who*

- ◆ Have certification of disability as defined by the Social Security Administration;
- ◆ Are at least 16 but not yet 65 years of age;
- ◆ Are engaged in paid work (includes part-time and full-time work);
- ◆ Have a gross income in 2012 that may be as high as \$56,892 for an individual, \$76,692 for a disabled couple;
- ◆ Have non-exempt resources that do not exceed \$20,000 for an individual, \$30,000 for a disabled couple.

**Note:** There is no substantial gainful activity rule (i.e., an individual can earn more than \$1,010 per month in 2012 and still be eligible for the MBI-WPD).

## Income Limits

- ◆ Individuals with countable income up to 250% of federal poverty levels (FPL) (i.e., gross wages as high as \$56,892 in a household of 1 for the year 2012).
- ◆ Monthly countable income for a household of 1 must be \$2,328 or less in 2012 (i.e., up to 250% of FPL). If monthly countable income is \$1,397 or less in 2012 (i.e., up to 150% of FPL), no premiums will be due.
- ◆ Individuals with income above 250% of FPL may not purchase Medicaid coverage.

## Determining Countable Income

- ◆ Will follow the same SSI budgeting rules as used in the regular Medicaid spend down program.
- ◆ Typical deductions from income: first \$20 of unearned income excluded; first \$65 (or \$85 if no unearned income), plus 50% of remaining earned income excluded; impairment related work expenses are a deduction from earned income; money set aside in an approved Plan for Achieving Self Support (PASS) can be excluded from unearned or earned income.
- ◆ Example: An individual has \$3,885 in gross monthly wages and no other income. This individual will have \$1,900 in countable monthly income ( $\$3,885 - 20 - 65 = 3,800 - 1,900 = \$1,900$ ). Since this is less than 250% of the FPL for 2011, this individual will be eligible for the MBI-WPD.

## Asset Limits

- ◆ **New:** Effective October 1, 2011, asset limits for the MBI-WPD are increased. \$20,000 is now allowed in countable resources for an eligible individual and \$30,000 for an eligible couple. (Prior to 10/11, \$13,800 was allowed for an individual and \$20,100 for a couple.)
- ◆ Countable resources include bank accounts, savings bonds, stocks, retirement accounts, and other liquid assets.
- ◆ Exempt resources include: a house, a vehicle, certain life insurance policies, a limited burial reserve, and several other items.
- ◆ **New:** Effective October 1, 2011, retirement funds are now exempt and not counted against resource limits. Retirement funds include but are not limited to: pensions, Individual Retirement Accounts (IRAs), 401(k) plans, 403(b) plans, and Keough plans.

## Premiums

- ◆ Old rule: No premium owed if countable income below 150 percent of federal poverty level. If income between 150 and 250 percent of poverty level, premium calculated at 7.5 percent of countable earned plus 3 percent of countable unearned per month. Premiums were never collected under the old rule.

**New Rule:** No premium is owed if countable income is below 150 percent of the federal poverty level. If income is between 150 and 250 percent of the federal poverty level, premium will be \$25 per month for an eligible individual, \$50 per month for an eligible couple. As this is written, the State Department of Health still does not have a system in place to collect premiums.

## Applying For the Medicaid Buy-In Program

- ◆ An application for the MBI-WPD must be made at the Local Department of Social Services or the Human Resources Agency in New York City.

## Medical Improvement Group: Who Is Eligible?

### *Individuals who are*

- ◆ Members of the Basic Coverage Group, who lose eligibility for the Basic Coverage Group due to medical improvement but retain a severe medical impairment, and
- ◆ Are engaged in paid work (40 hours per month and earn at least the federal minimum wage).

## Grace Periods Or What If I Lose My Job?

- ◆ *Change in Medical Condition:* A grace period of up to six months will be allowed if, for medical reasons, the Medicaid Buy-In recipient is unable to continue working. Medical verification will be required.
- ◆ *Job Loss (through no fault of recipient):* A grace period of up to six months will be allowed if, through no fault of the recipient, a job loss occurs (layoff, etc.). Verification will be required that the recipient is reasonably expected to return to work as it is a temporary layoff, or that the recipient is actively seeking new employment.

## Authority

The State Department of Health has issued two Administrative Directives (ADMs) to govern case processing in the Medicaid Buy-In for Working People with Disabilities Program, 03 ADM 04 (June 9, 2003) and 04 ADM 05 (July 20, 2004). 11 OHIP/ADM-7 establishes the October 2011 changes in resource rules.