

How To Maintain Eligibility For Medicaid With The Social Security Work Incentive 1619 A&B

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Medicaid is a primary funding resource for assistive technology devices and services for low-income persons with disabilities. One of the most prevalent consumer myths regarding Medicaid is that work activity and the resulting addition of earned income will cause loss of Supplemental Security Income (SSI) and Medicaid eligibility. Consequently, many people with disabilities who might attempt self-support through employment do not attempt work activity because of this mistaken -but understandable- fear of the loss of needed medical coverage. The reality is that the exact opposite is true-people with disabilities do not lose Medicaid coverage if they need that coverage to work.

When Congress first passed the SSI income support program in the early 1970's, the program had a number of structural flaws that ironically discouraged people with disabilities who wanted to work. Work was treated the same way as it is today under the Social Security disability insurance (SSDI) entitlement program: after a short trial work period, an individual was evaluated to see if they continued to meet Social Security Administration (SSA) technical definition of disability. Substantial earnings would lead to a loss of "disability" status and eventually loss of benefits and medical assistance under Medicaid.

The problem was that the amount of earnings that would cause an individual to no longer be "disabled" was lower than the federal benefit level for SSI payments. Consequently, attempting work would not cause people to lose their SSI in itself, but could cause them to lose their "disability status" and thus not eligible for SSI and Medicaid because they were no longer met SSA's statutory definition of disability. Many people lost their SSI even though they were technically eligible to receive SSI based on their income. Needless to say, this bureaucratic-doublespeak made it very difficult to persuade people with disabilities to try to become self-supporting through work.

Recognizing this inequity and emphasizing their desire to help SSI recipients to become self supporting. Congress included in §1619 of the *Social Security Disability Amendments of 1980*, provisions for a demonstration project that would test whether doing away with this punitive trial work period for SSI recipients would encourage them to work. Referred to as "Section 1619," the work incentive was quickly relegated -as many of the Social Security work incentives have been-to administrative obscurity and non-use by SSA and was essentially unavailable to unaware consumers.

Concerned that §1619 was being underutilized by SSA and inaccessible to people with disabilities, Congress made significant changes and enacted the provisions as law as part of *The Employment Opportunities for Disabled*

Americans Act. Effective on July 1, 1987, Section 1619 of this law had two primary provisions: 1619 A and 1619 B.

What is 1619 A?

Section 1619 A did away with the trial work period for SSI recipients, wisely noting that work in itself does not change the fact that someone has a disabling impairment or is blind once they are on the SSI rolls. For SSI purposes under 1619 A, disability status continues until a person's impairment medically improves or is terminated for a non-disability reason. SSI checks are reduced in proportion to actual earnings and recipients could work their way off SSI instead of losing it outright.

Section 1619 A is fairly well institutionalized by now (we all know it as the calculation formula for SSI) but it is important to note that even after people have earnings that make them ineligible for any SSI cash payment they are still SSI eligible. By retaining this SSI recipient status, people who have a disability also retain their right to Medicaid in those States that provide Medicaid coverage based on SSI eligibility. In its Program Operating Manual System (POMS) SSA notes that "Medicaid services continue for working disabled for as long as they need them". This continued Medicaid coverage is the primary benefit of the §1619 work incentive.

What is 1619 B ?

Section 1619 B clarifies protection against the loss of Medicaid coverage for people whose earnings make them ineligible for any further. SSI cash payments. Eligibility for 1619 B Medicaid coverage is based on the following conditions: (1) termination of Medicaid benefits would "seriously inhibit the individual's ability to continue working; and; (2) the individual's earnings are "insufficient for the individual to provide a reasonable equivalent of the benefits which would otherwise available to him or her under SSI and Medicaid if the did not have earnings."

How does SSA determine if you are eligible for 1619 B?

To ascertain if an individual must depend on Medicaid to continue working , SSA must determine if the individual: (1) used Medicaid during the past 12 months, (2) expects to use Medicaid in the next 12 months and (3) would be unable to pay unexpected medical bills without Medicaid coverage.

To measure whether an individual has earnings sufficient to provide the equivalent of SSI benefits and Medicaid, SSA calculates what is referred to as a "threshold" amount. In Idaho for 2001 the threshold amount is \$22,912.

As you can see, an individual would need a considerable amount of earnings to replace SSI and Medicaid. Additionally, individuals are using other work incentives such as an impairment related work expense (IRWE) or a Plan for Achieving Self-Support (PASS); or if they have a publicly-funded personal care attendant (PCA), the “threshold” amount can be increased still higher.

How long can Medicaid eligibility be maintained under 1619 B?

Continued SSI eligibility and Medicaid under 1619 A&B lasts until the person with a disability either medically improves or has been ineligible for any SSI benefit (including 1619B) for 12 consecutive months. Eligibility can go on indefinitely as long the person meets the eligibility requirements mentioned above.

As you can tell, the work incentive Section 1619 A&B really means that people on SSI should not worry about losing Medicaid coverage while they attempt to become self-supporting through work. Most people with disabilities on SSI believe just the opposite is true.

Federal regulations require that these States provide Medicaid eligibility under 1619 B as long as the individual was eligible for Medicaid in the month before becoming eligible for 1619 A&B.