



Understanding Medicaid Buy-In (MBI) for Workers with Disabilities

Using MBI to Support Employment and
Economic Awareness

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WELCOME

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WEBINAR OBJECTIVES - I

Participants will:

- (1)** Learn about Medicaid Buy-In (MBI), including how it can support employment and higher earnings for people with disabilities.
- (2)** Learn about services to help workers with disabilities access MBI and possibly leave MBI if their needs are met by another source.



WEBINAR OBJECTIVES - II

Participants will:

- (3) Hear about the experiences of a worker using MBI and the employment services providers that supports them.
- (4) Explore resources related to MBI for people with disabilities, employment staff and policymakers.



GROUNDBREAKING LEGISLATION

The **Ticket to Work and Work Incentives Improvement Act (TWWIIA) of 1999** offered states an unprecedented opportunity to eliminate barriers to employment for individuals with disabilities who received:

- ▶ Supplemental Security Income (SSI) and/or Social Security Disability Insurance (SSDI) and
- ▶ those who met the Social Security Administration definition of disability,
- ▶ were working, and
- ▶ needed access to services only offered by Medicaid.



WHAT IS MEDICAID BUY-IN (MBI) FOR WORKERS WITH DISABILITIES?

- ▶ Gives states the authority to remove barriers to employment and community living for workers with disabilities who earn income which exceeds Medicaid limits.
- ▶ Provides the potential for individuals to no longer choose between healthcare and work.
- ▶ Collectively refers to all MBI eligible groups.



WHY IS MBI NEEDED? - I



- ▶ Medicare, employer-based health plans and private health plans offered through the state health care exchanges generally do not cover services such as:
 - ▶ personal care attendant services
 - ▶ long-term community-based services
 - ▶ durable medical equipment
 - ▶ extended therapies.

WHY IS MBI NEEDED? - II



- ▶ MBI allows workers with disabilities access to critical Medicaid benefits and the opportunity to have more earnings than traditional Medicaid.
- ▶ Therefore, MBI continues to be an important path to employment and community living for people with disabilities.

AUTHORITY TO OPERATE MBI - I

- ▶ 45 States operate a Medicaid Buy-In using different Medicaid authorities:
 - ▶ Balanced Budget Act (BBA) provides the authority to include workers with disabilities 65 and older.
 - ▶ TWWIIA provides the authority to include workers 16 through 64.



AUTHORITY TO OPERATE MBI - II

- ▶ Section 1902(R)(2) of the Social Security Act allows more generous methods of treating income and resources for the purposes of Medicaid eligibility. Therefore, States may, and some have, removed all limits to income and assets using this provision.
- ▶ States are permitted to make policy changes to promote employment and earnings. States add MBI for workers with disabilities by amending their Medicaid State plan.



AUTHORITY TO OPERATE MBI - III

- ▶ TWWIIA provided funding for \$500 million in Medicaid Infrastructure Grants (MIG) over 11 years, sunseting in 2013. The MIG era saw the greatest emergence of the Medicaid Buy-Ins along with the development of valuable information used to support States in making data-driven decisions around promoting employment for workers with disabilities.



FEATURES PROMOTING EMPLOYMENT AND EARNINGS - I



- ▶ No income limit or higher income limits
- ▶ No asset limit or inclusion of earnings account as non-countable resources
- ▶ Financial eligibility includes only applicant's income and not spousal income

FEATURES PROMOTING EMPLOYMENT AND EARNINGS - II



- ▶ No premiums or if premium is used, methodology does not include spousal income
- ▶ Inclusion of a grace period as a programmatic feature
- ▶ Inclusion of workers with disabilities 16-18 and 65 and older

STATES' EMERGING PRACTICES - I

- ▶ 8 states have no limit on earned income for Buy-In enrollees.
- ▶ 22 states do not count spousal income for financial eligibility.
- ▶ 5 states have no asset/resource limit and 11 states offer Buy-In beneficiaries the option of “Independence Accounts” for earnings which are not countable and permitted to remain non-countable for future Medicaid eligibility.



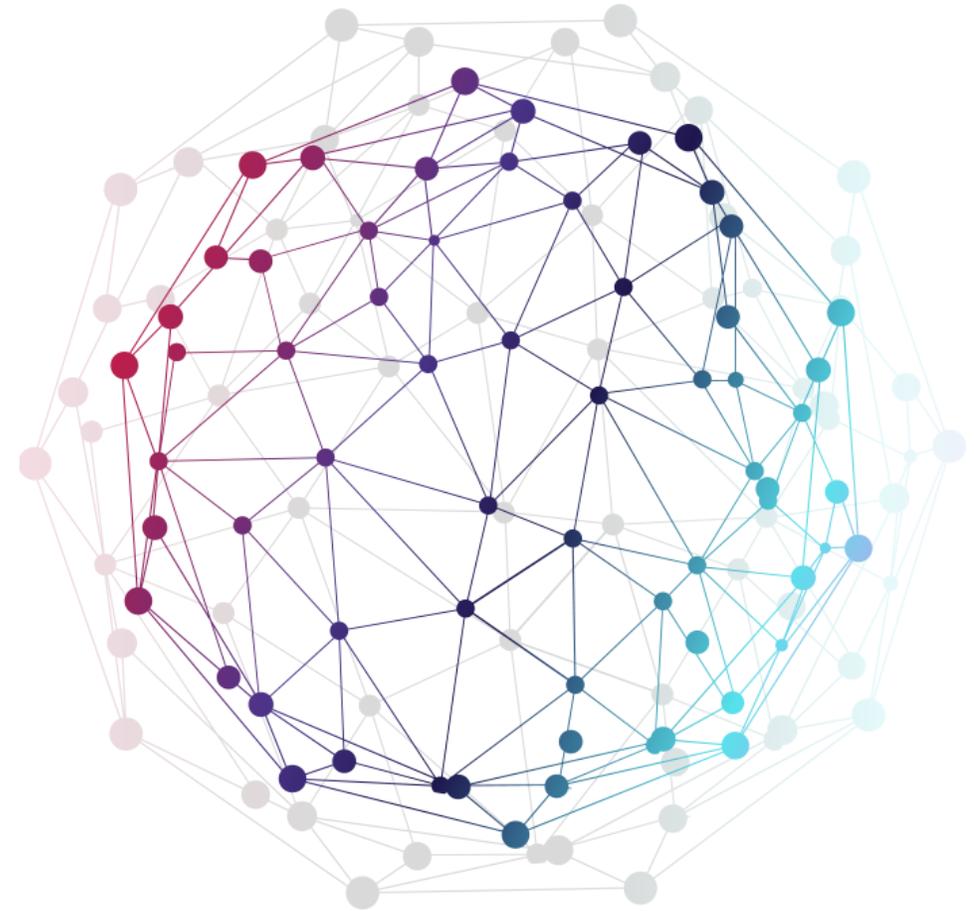
STATES' EMERGING PRACTICES - II

- ▶ 12 states include workers with disabilities age 65 and older.
- ▶ More states are exploring policy improvements to promote earnings and asset building.
- ▶ At least 2 states are moving toward adding workers 65 and older.
- ▶ DC and HI are exploring adding Medicaid Buy-In.



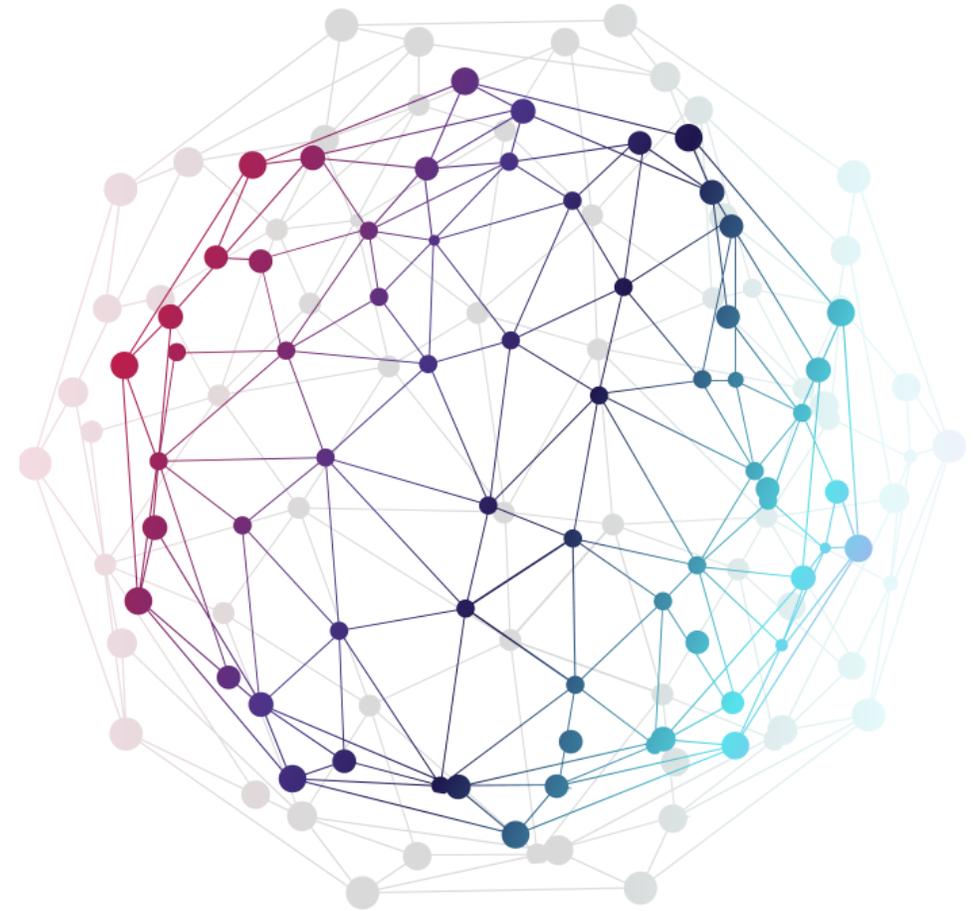
THE POSITIVE LINK BETWEEN MBI AND MEDICAID - I

- ▶ Research has shown that Medicaid Buy-in is not just good for beneficiaries and employers; it is also good policy for Medicaid.
 - ▶ An analysis of expenditures and services used showed Medicaid Buy-in participants incurred lower annual Medicaid costs than other adult Medicaid enrollees with disabilities.



THE POSITIVE LINK BETWEEN MBI AND MEDICAID - II

- ▶ Studies have shown that service use expenditures among higher-income Medicaid Buy-In participants were generally less than expenditures for the same services among all Medicaid Buy-In participants.



KANSAS MEDICAID BUY-IN

Kansas MBI Working Healthy began thanks to those who believed it could give them a better quality of life.



KANSAS MBI PROGRAM HIGHLIGHTS - I

- ▶ Working Healthy offers the following:
 - ▶ The opportunity to earn more income without loss of Medicaid coverage
 - ▶ The opportunity to accumulate assets
 - ▶ Help with Medicare expenses



KANSAS MBI PROGRAM HIGHLIGHTS - II

- ▶ Working Healthy offers the following:
 - ▶ For some, payment of employer premiums
 - ▶ Personal assistance services under Work Opportunities Reward Kansans (WORK) Benefits planning and assistance
 - ▶ Medically improved provision



KANSAS MBI WORKING HEALTHY ELIGIBILITY - I

- ▶ Working Healthy members must be 16-64 years of age
- ▶ Must meet the social security definition of disability
- ▶ Have verified earned income which is subject to FICA/SECA taxes



KANSAS MBI WORKING HEALTHY ELIGIBILITY - II

- ▶ Earn a minimum of \$65.01/month, if employed by an employer, or earn \$85.01 a month, after employment related expenses are deducted.
- ▶ Have earnings at or above the federal minimum wage (unless self-employed).
- ▶ Be a Kansas resident.



BENEFITS SPECIALISTS - I

Individuals with disabilities fear going to work because of the impact of earning on their benefits. Benefits Specialists:

- ▶ Collect data on a beneficiary's current benefits status.
- ▶ Provide critical analysis of work, earning, and resources on these benefits.



BENEFITS SPECIALISTS - II

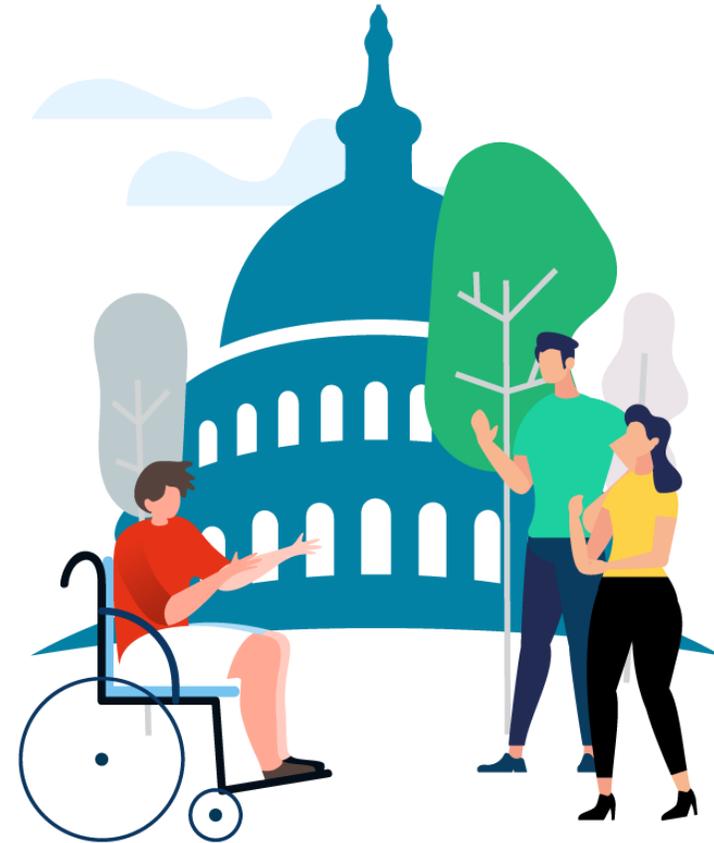
Individuals with disabilities fear going to work because of the impact of earning on their benefits. Benefits Specialists:

- ▶ Provide options to the individual and their support network to help them make an informed decision about increased earnings and employment.
- ▶ Work with eligibility staff to establish medical coverage and other benefits
- ▶ Compare and contrast Working Healthy with other available programs.



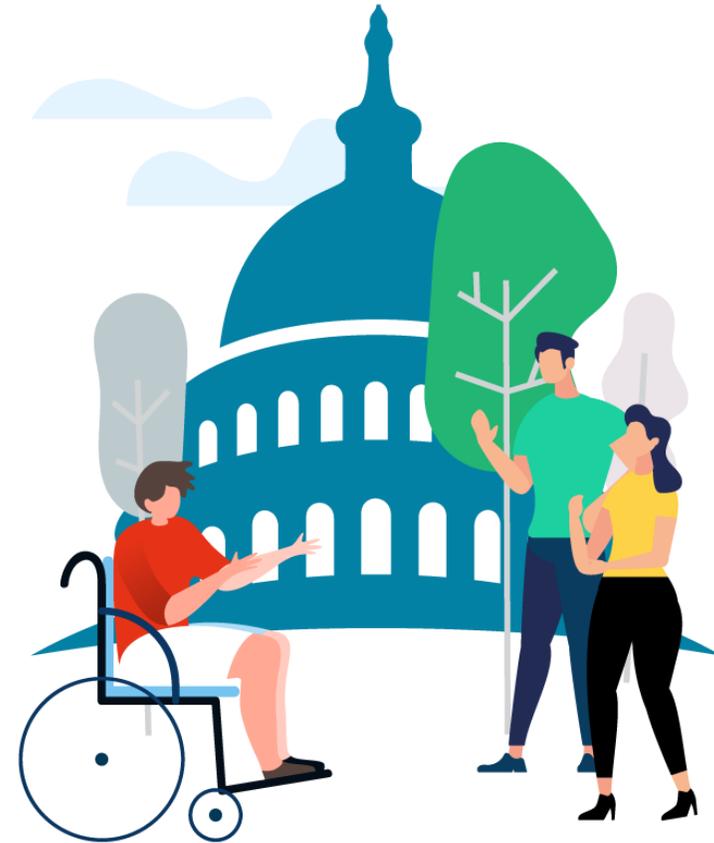
WORK OPPORTUNITIES REWARD KANSANS' WORK - I

- ▶ Services
 - ▶ Personal Care Services (PCS)
hours determined by MCO
assessment
 - ▶ Supported Employment/Individual
Employment Support Services
 - ▶ Assistive Technology
 - ▶ Independent Living (IL) Counseling



WORK OPPORTUNITIES REWARD KANSANS' WORK - II

- ▶ Home and Community Based Services “Safety Net”
 - ▶ Members enrolled in waiver before switching may return without losing services
 - ▶ Members on the HCBS waiting list prior to WORK will maintain their place on the waiting list.



WORK ELIGIBILITY - I

- ▶ Eligible for Working Healthy and eligible for an HCBS waiver:
 - ▶ Intellectual/Developmental Disability (I/DD), Physical Disability (PD), or Traumatic Brain Injury (TBI) Waivers
 - ▶ Members with physical disabilities must demonstrate a need for physical assistance with a minimum of two Activities of Daily Living (ADLs).



WORK ELIGIBILITY - II

- ▶ Eligible for Working Healthy and eligible for an HCBS waiver:
 - ▶ Members with I/DD or TBI must demonstrate a need for physical assistance, or cuing/prompting, to perform ADLs and/or demonstrate a need for supported employment.



CASH AND COUNSELING - I

- ▶ Member develops an Individualized Budget with their IL Counselor.
- ▶ Goes beyond consumer self-direction.
- ▶ Individuals may choose to be the Employer of Record.
- ▶ Allows individuals to determine how much to pay for personal assistance within the parameters of a monthly allocation.



CASH AND COUNSELING - II

- ▶ Permits individuals to purchase items that substitute for human assistance.
- ▶ Allows people to carry over a limited amount of unexpended funds.
 - ▶ To be used for specified purposes, emergency back-up care, leave, etc.



WHY SUPPORT WORKING HEALTHY? - I

- ▶ Supports individuals to work and have a higher income
- ▶ Large focus on social determinants of health
- ▶ Studies show that people who are employed have a better quality of life



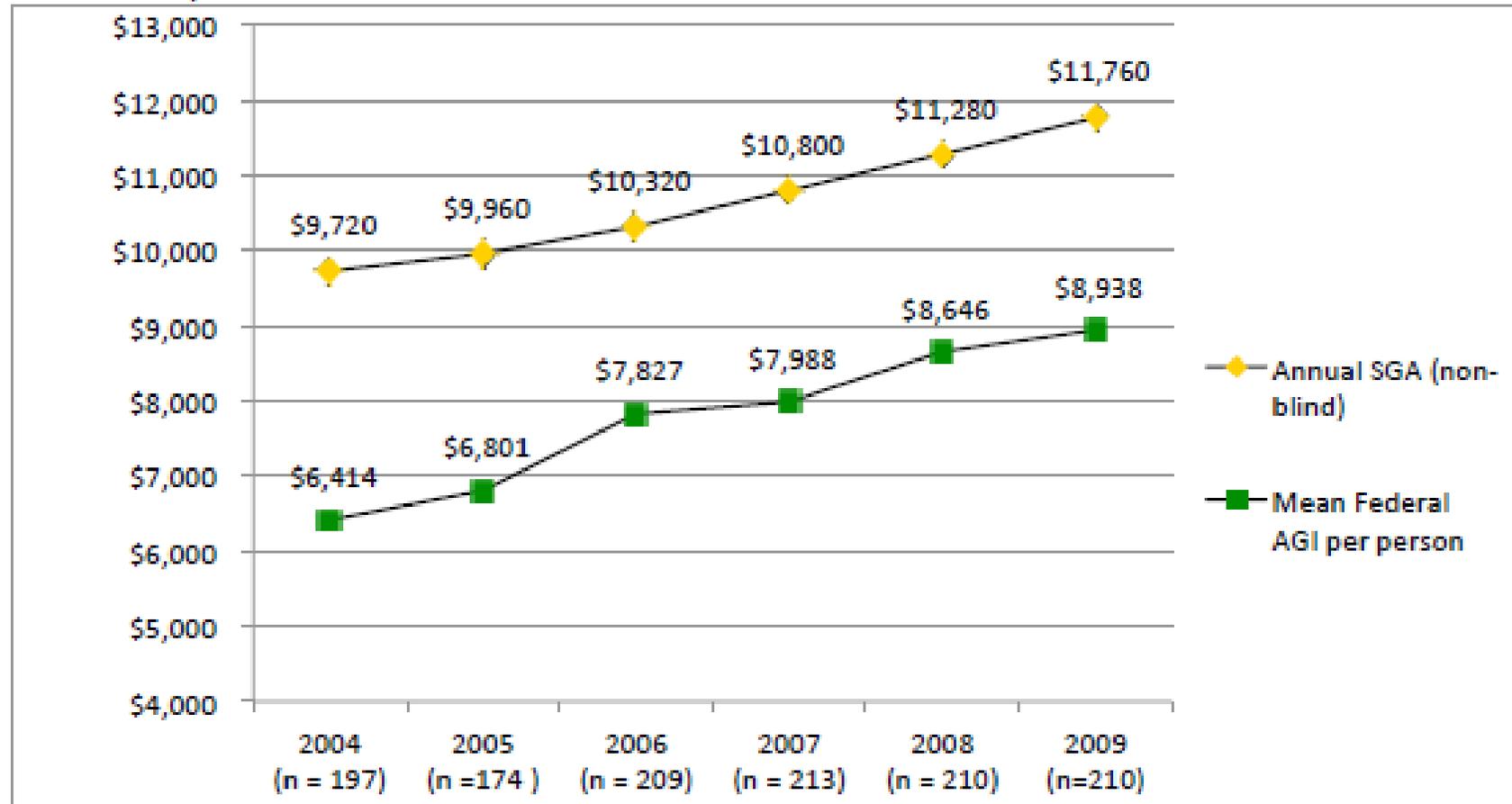
WHY SUPPORT WORKING HEALTHY? - II

- ▶ University of Kansas study found that those enrolled in Kansas Working Healthy had an increase in income and a decrease in Medicaid costs.
- ▶ Where do we go from here?



ADJUSTED GROSS INCOME INCREASED

Figure 3.8: Mean Federal AGI of Continuously Enrolled *Working Healthy* Enrollees Compared to Annual SGA, 2004-2009



Source: Kansas Department of Revenue Income Tax Data



MEDICAID COSTS DECREASED

Figure 8.4: Total Per Member Per Month Medicaid Expenditures for *Working Healthy* and other Dual-Eligibles, by Year



Source: Kansas Medicaid Management Information System (MMIS)

Notes. All amounts are adjusted to 2009 for medical inflation. All expenditures include inpatient, outpatient, prescription drugs, dental, HCBS/WORK costs and mental health managed care capitation amounts.



DISCUSSION



FINDING STATE-SPECIFIC MBI INFORMATION

- ▶ Search for “Medicaid for Workers with Disabilities” on your state’s Medicaid website.



RESOURCES

- ▶ **MBI Q & A:**
<http://www.leadcenter.org/resources/tool-manual/understanding-medicaid-buy-tool-advance-employment-people-disabilities>
- ▶ **Characteristics and Service Use of Medicaid Buy-In Participants with Higher Incomes: A Descriptive Analysis**
https://www.mathematica.org/~media/publications/PDFs/Disability/MedicaidBuy-in_high earners.pdf
- ▶ **Working Healthy Data Chartbook, 2nd Edition**
https://ihdps.ku.edu/sites/ihdps.drupal.ku.edu/files/docs/2011chartbook_for_screenreaders.pdf

QUESTIONS AND ANSWERS





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