The Benefits Planner

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# THE BENEFITS PLANNER

KEYS TO EFFECTIVE BENEFITS PLANNING, ASSISTANCE AND OUTREACH

# MEDICAID BUY-IN PART II

## Using Examples to Illustrate Key Eligibility Issues

Hundreds of readers responded to our Summer 2003 newsletter on the new Medicaid Buy-In program. This unprecedented response on our toll-free hotline, through hits to our web sites, and turnouts at our training programs suggested the need for another look at this important topic.

The goal of this article is to better illustrate, through a series of examples, who is eligible and how they become eligible for the Buy-In program. Our examples will illustrate the need to consider each of the key eligibility concepts that we briefly summarize in the next section. Readers should keep in mind that the article uses income eligibility levels that are based on the federal poverty levels established for 2003. As we move into 2004, we can expect those levels to increase slightly but the basic principles illustrated through the examples should still be valid. However, since this program is still very new, some of the rules governing the Buy-In will be clarified over time as the state publishes additional regulations and policies.

In our last newsletter, we explained that Supplemental Security Income (SSI) recipients are automatically eligible for Medicaid and can retain Medicaid, when they lose SSI because of increased income from working, under the 1619(b) program. We also noted that individuals with disabilities who do not qualify for SSI or the 1619(b) program traditionally seek Medicaid through the medically needy or spend down program. The spend down program requires some individuals to devote $500 or more per month to meeting their share of Medicaid costs (i.e., their spend down requirement). In fact, when monthly earnings over $800 (or $810 in 2004) are sustained the individual loses the right to participate in the spend down program because they are no longer considered disabled. Historically, this has meant that individuals who receive Social Security Disability Insurance

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NEIGHBORHOOD LEGAL SERVICES, INC.

(SSDI) only without an SSI supplement, faced the dubious choice of either working for substantial wages and losing Medicaid or keeping their wages below $800 to retain Medicaid. Those individuals make the classic candidates for the Buy-In program.

## A SUMMARY OF BUY-IN ELIGIBILITY CRITERIA

### *The Basic Eligibility Group*

All initial applications for the Buy-In will involve persons seeking Medicaid through this category. Six key concepts govern eligibility:

**Disability:** Must have a disability as defined for the SSI and SSDI programs.

**Age:** Must be between the ages of 16 and 64.

**Paid work:** Must be working part-time or full-time and paying "applicable taxes." Even one hour of paid work per month will meet this requirement. Employees meet this requirement if income taxes or FICA (Social Security and Medicare taxes) are withheld from the paycheck. Self-employed individuals meet this requirement if they are paying income taxes or FICA.

**No substantial gainful activity rule:** An individual can earn more than $800 per month in 2003 and still be eligible.

**Monthly income test:** Must have countable income (i.e., after Medicaid deductions) of $1,871 or less in 2003, i.e., 250 percent of the federal poverty level (FPL). If monthly countable income is $1,123 or less, i.e., 150 percent of the FPL, no premiums will be due.

**Resource limits:** Must have countable resources of $10,000 or less.

### *The Medical Improvement Group*

Since eligibility under this category will be limited to individuals who first are eligible under the Basic Eligibility Group, we should see only a few of these cases during the first year of the Buy-In program. Over time, we expect that some SSDI beneficiaries who are found to have medically improved, following a continuing disability review, will be able to retain Buy-In coverage under this category. Three key concepts govern eligibility:

**First eligible under Basic Coverage Group:** Must be member of the Basic Coverage Group who loses eligibility due to medical improvement.

**Continuing "severe" impairment:** Must still have a "severe medically determinable impairment."

**At least 40 hours of work per month:** Must work at least 40 hours per month and earn the federal minimum wage or above.

## EXAMPLES ILLUSTRATING BUY-IN ELIGIBILITY RULES

### *Disability*

**Individual who receives SSDI.** This individual will meet the federal standard of disability which is the same for SSI and SSDI.

**Sixteen year old receives Social Security survivor's benefits.** These benefits are not based on disability. Although a 16 year old will meet the age requirements, a disability determination will be required by Medicaid.

**Receipt of continued Medicare after losing SSDI cash benefits because of work activity.** Jerry was eligible for $700 in monthly SSDI benefits with no SSI supplement. One year ago ago he lost his SSDI benefits because he worked and earned $1,200 per month after his nine-month trial work period. Under the extended Medicare provisions, since Jerry is still medically disabled his Medicare coverage continues even though his monthly wages are now up to $1,400 per month. His continuing eligibility for Medicare, under this special work incentive, means that he still meets the SSDI standard of disability. If he gets a letter from the Social Security Administration (SSA) confirming this, he should be found disabled by the Buy-In program on that basis alone.

### *Age*

**No eligibility after age 65.** Loraine is 63 and receives $945 in SSDI. She works one day per week doing light housekeeping despite a severe seizure disorder. She recently qualified for the Buy-In. Under existing criteria, she will no longer be eligible for the Buy-In when she turns 65 and will face a Medicaid spend down of $300 or more per month if she is single.

## REFLECTIONS ON MARGE TIERNEY

**This issue of the Benefits Planner is dedicated to the undying memory of Marge Tierney – a woman dedicated completely to her family and doing for others. Marge was devoted to her profession — vocational rehabilitation. She believed in people with disabilities and in their potential. Marge's career spanned an era that saw the passage of many laws — laws that brought our disabled children and adults out of institutions and into the community. She was always at the forefront of helping the vocational rehabilitation system to change and evolve as expectations for our disabled citizens grew. For this contribution we are eternally indebted and carry on the torch that her life lit.**

### *Paid Work Requirement*

**Part-time tutor.** Darius is a college student with cerebral palsy who gets $786 in SSDI benefits on the earnings record of his deceased mother. He works two hours per week in the college tutoring center, tutoring other students in math. He earns $6 per hour and the only payroll deduction is under the FICA category (Social Security and Medicare taxes), as he is not expected to owe any state or federal income taxes at the end of the year. Since his employer is withholding money for "applicable taxes," Darius meets the "paid work" requirements and will be eligible for the Buy-In if he meets other criteria.

**Bus pass and cash stipend to cover meals.** Joanne, who has a mental illness and receives $1,110 in SSDI, works 12 hours per week doing filing through a hospital internship program. During the six-month program, she will receive a bus pass and $100 per month toward lunch expenses. No deductions for taxes or FICA are taken from the checks. Joanne will not meet the paid work requirements for the Buy-In, as she gets an expense stipend and no taxes are withheld. She will face a large spend down if she wants to obtain Medicaid. NOTE: If the hospital hires Joanne for even one four-hour shift per month, with taxes or FICA withheld from her pay, she would meet the paid work requirements.

**Work as an independent contractor.** Barry has severe arthritis and receives $400 per month from a private disability pension and $450 from SSDI. He works 30 hours per month as an independent contractor for a home health agency, earning $10 per hour to make home visits to review care plans of patients. The agency does not deduct anything from the check he gets and Barry files quarterly "estimated tax payments" with the Internal Revenue Service. Last year, all his income tax payments were returned to him as a refund and he expects the same will happen this year. He does not get any refund of the FICA taxes. Barry is paying "applicable taxes" and will meet the paid work requirements of the Buy-In program.

### *No Substantial Gainful Activity Test*

**Loss of SSDI because of earnings.** Diana, age 43 and single, has multiple sclerosis and uses Medicaid to pay for medication that would cost $1,000 per month if she paid for it. She receives SSDI benefits of $830 per month and must pay a spend down of more than $150 to obtain Medicaid. She graduates from a community college with a degree in human services and obtains a job at a day treatment program, serving adults with mental disabilities. She will earn $1,300 per month in gross wages and will eventually lose her SSDI benefits because she is performing substantial gainful activity (i.e., earning more than $800 gross monthly in 2003). Diana should be eligible for the Buy-In despite earnings that are well above the substantial gainful activity figure. So long as she meets the other Buy-In criteria, earnings above the substantial gainful activity level are not relevant.

### *The Monthly Income Test, Premium Payments*

**The income test.** To be eligible for the Buy-In, countable income can be no more than 250 percent

of the the federal poverty level (FPL). If countable income is more than 250 percent of FPL, the individual will not be eligible for the Buy-In even if income is only slightly above the limit.

The following are the most common monthly deductions from unearned and earned income. Unearned income: $20 general income exclusion. Earned income: $65 plus any unused part of the $20 exclusion; impairment related work expenses (IRWEs); an additional 50 percent of earned income; blind work expenses; and any money set aside in an approved Plan for Achieving Self Support (PASS).

**Criteria for monthly premiums.** If countable income is less than 150 percent of FPL, no premiums will be due. If countable income is between 150 and 250 percent of FPL, premiums will be equal to 3 percent of countable earned income and 7.5 percent of countable unearned income. Premiums will be collected starting some time in 2004.

**Example 1.** John is 33, has a mental illness, and attends college. He is single, receives $862 in SSDI benefits, and must pay a $200 spend down to qualify for Medicaid. Currently, John is not eligible for the Buy-In because he is not working.

John accepts a job and will earn $265 gross for working about 40 hours per month. Through payroll deductions, he is paying "applicable taxes." Under the spend down program, John will see his spend down increase by $100 to $300 per month. However, if John applies for the Buy-In, now that he meets the work requirement, he should be eligible with no premium payment due.

Here is how John's countable income is determined:

| | | |
|---|---|---|
| Step 1 | Unearned income | $ 862.00 |
| | General income exclusion | - 20.00 |
| | Counted unearned income | $ 842.00 |
| Step 2 | Earned income | $ 265.00 |
| | Earned income exclusion | - 65.00 |
| | | 200.00 |
| | Additional 50 % exclusion | - 100.00 |
| | Counted earned income | $ 100.00 |
| Step 3 | Counted unearned income | $ 842.00 |
| | Counted earned income | 100.00 |
| | Total counted income | $ 942.00 |

Since $942 is below the 2003 monthly figure for 250 percent of FPL, i.e., $1871, he will be eligible for the Buy-In if he meets all other criteria. Since countable income is also below 150 percent of FPL, i.e., $1123 per month in 2003, he will not face a monthly premium even when premiums become a part of the program. John will save $300 per month that he would have owed under the spend down program.

**Example 2.** Lorena is single, is profoundly deaf, receives $1,100 monthly in SSDI benefits, and earns

## KEY 2004 SOCIAL SECURITY AND MEDICARE CHANGES

**SSI Monthly Payment Rates for New York:**

- Living alone - $651
- Living with others - $587
- Living in the household of another - $399
- Couple - $950

**Social Security Disability Insurance Thresholds:**

- Substantial gainful activity - $810 per month ($1,350 for legally blind)
- Trial work month - $580

**SSI Student Earned Income Exclusion Amounts:**

- Up to $1,370 per month excluded
- Up to $5,520 per year excluded

**Section 1619(b) Eligibility Thresholds:**

- Base amount - $16,664
- Title 19 or Medicaid amount - $18,121
- Total threshold - $34,765

**Medicare Part B Premium**

- $66.60 per month in 2004

$1,900 gross monthly (she is in a trial work period). She does not have a PASS plan or IRWEs and does not qualify for any other income disregard.

Here is how Lorena's countable income is determined:

| | | |
|---|---|---|
| Step 1 | Unearned income | $ 1,100.00 |
| | General income exclusion | - 20.00 |
| | Counted unearned income | $ 1,080.00 |
| Step 2 | Earned income | $ 1,900.00 |
| | Earned income exclusion | - 65.00 |
| | | 1,835.00 |
| | Additional 50 % exclusion | - 917.50 |
| | Counted earned income | $ 917.50 |
| Step 3 | Counted unearned income | $ 1,080.00 |
| | Counted earned income | 917.50 |
| | Total counted income | $ 1,997.50 |

Since $1,997.50 is more than the 2003 monthly figure for 250 percent of FPL, i.e., $1871, Lorena will be ineligible for the Buy-In. Since the 2004 FPL figure will probably not go up by more than $50, she will probably be ineligible in 2004 as well.

Is there any suggestion we can make about present or future eligibility for the Buy-In? Assuming her income remains the same, Lorena could reduce her countable income below the $1,871 figure by using IRWEs or expenses from an approved PASS. For example, if Lorena uses a PASS to save $300 per month toward the purchase of a suitable vehicle to travel to her job, that would reduce her countable income from $1,997.50 to $1,697.50 per month, putting her below the $1,871 figure. She would then be financially eligible for the Buy-In.

What if reductions to income from IRWEs or a PASS are not available? Based on the facts, we can anticipate Lorena's loss of SSDI benefits if she keeps earning this much money after a nine-month trial work period. For example, if she works for the first time as an SSDI recipient in January 2003 and works every month, earning $1,900 gross throughout 2003, her last month of SSDI eligibility would be December 2003. (She is eligible for continued SSDI benefits for nine trial work months and a three-month grace period. *See* the Summer 2001 issue of the *Benefits Planner*, available on the Neighborhood Legal Services website at *www.nls.org/planner/summer01.htm* or *.pdf*.) Effective January 2004, she would no longer be eligible for SSDI and her countable income would now be $917.50 per month from wages, well below the $1,871 figure representing 250 percent of FPL in 2003. Since this is also below the $1,123 figure for 150 percent of FPL in 2003 (expected to be slightly higher in 2004), Lorena will now be eligible for the Buy-In without a premium.

**WHEN TO CALL OUR TOLL-FREE LINE FOR TECHNICAL ASSISTANCE**

**Our State Work Incentives Support Center offers a statewide, toll-free number to call for information and technical assistance on a wide range of issues involving benefits and work. The staff of Neighborhood Legal Services is available to take calls concerning any of the topics you see discussed in these newsletters. For example, if a caller seeks information about any of the information discussed in this article, you can call us at 1-888-224-3272 for more information on these issues.**

**Example 3.** Eddie is single, earns $2,790 gross per month, but does not receive either SSI or SSDI benefits. He continues to have disabling arthritis, but lost his $850 in SSDI benefits in early 2003 following a trial work period and three-month grace period. He continues to get extended Medicare benefits based on his continuing disability, but Medicare will not cover the cost of his medications. Is he eligible for the Buy-In and, if so, must he pay a premium to obtain Medicaid?

Here is how Eddie's monthly countable income is determined:

| | | |
|---|---|---|
| Step 1 | Unearned income | $ 0.00 |
| | General income exclusion | - 20.00 |
| | Counted unearned income | $ 0.00 |
| Step 2 | Earned income | $ 2,790.00 |
| | General income exclusion, not used above | - 20.00 |
| | Earned income exclusion | - 65.00 |
| | | 2,705.00 |

| | | |
|---|---|---|
| | Additional 50 % exclusion | - 1,352.50 |
| | Counted earned income | $ 1,352.50 |
| Step 3 | Counted unearned income | $ 0.00 |
| | Counted earned income | 1,352.50 |
| | Total counted income | $ 1,352.50 |

Since $1,352.50 is below the 2003 monthly figure for 250 percent of FPL, i.e., $1871, he will be eligible for the Buy-In if he meets all other criteria. However, since countable monthly income is more than 150 percent of FPL, i.e., $1123 per month in 2003, he will face a monthly premium when premiums become a part of the program. At that time, his monthly premium is estimated to be $40.58, i.e., 3 percent of countable monthly earned income ($1,352.50 x .03).

## FILING A BUY-IN APPLICATION: STRATEGY TIPS

Despite the State Department of Health's extensive training program, statewide, for Medicaid agency staff, we have heard numerous reports of individuals who have faced difficulties when they applied for the Medicaid Buy-In. While we have no way of knowing how common these problems have been, the following appear to be common responses from Medicaid agency staff to attempts to apply for the Buy-In as reported to us from several regions of the state:

- "There is no such program."
- "Oh, the Buy-In, you mean the 'Medicaid spend down program.' Our nickname for that program is the Buy-In."
- "Oh, the Buy-In, you mean the 'Qualified Medicare Beneficiaries (QMB) program,' through which the Medicaid agency will pay for an individual's Medicare Part B premiums. Our nickname for that program is the Buy-In."

Unfortunately, the last two responses were probably predictable, since both the spend down and QMB programs have often been referred to as buy-in programs, since either the individual (in the case of spend down) or the Medicaid agency (in the case of QMB) are buying in to a program by paying a monthly dollar amount. Individuals with disabilities and their advocates will have to be vigilant to make sure Medicaid staff understands that the individual wants to apply for the Medicaid Buy-In and not either of the other two programs. We are hopeful that the first response, that the program does not exist, will become much less common over time.

## Benefits Planning, Assistance & Outreach Projects in New York

*The following are the Benefits Planning, Assistance and Outreach (BPA&O) projects serving New York State and the contact persons for each office. The BPA&Os are funded by the Social Security Administration and are available to inform SSI and SSDI beneficiaries of the work incentives available to them and how going to work will affect their SSI, SSDI, Medicaid, or Medicare benefits.*

| | | | |
|---|---|---|---|
| Resource Center for Independent Living | Connie Angelini | 315-797-4642 | 401-409 Columbia Street, P.O. Box 210, Utica, NY 13503-0210 |
| Research Foundation for Mental Hygiene ("Brooklyn Works") | Olga Ivnitsky | 718-368-7923 | NY State Department of Labor 17-17 Avenue Z Brooklyn, NY 11235 |
| Neighborhood Legal Services, Inc. | Krista McDonald | 716-847-0650 | 295 Main Street, Room 495, Buffalo, NY 14203 |
| Abilities, Inc., National Center for Disability Services | Leslie Monsen | 516-465-1522 | 201 I.U. Willets Road, Albertson, NY 11507 |
| Barrier Free Living, Inc. | Angel Caula | 212-677-6668 | 270 East Second Street, New York, NY 10009 |
| Queens Independent Living Center | Luis Rivera | 718-515-2800 | 140-40 Queens Blvd., Jamaica, NY 11435 |
| Independent Living, Inc. | Ian Weinstein | 845-565-1162 | 5 Washington Terrace, Newburgh, NY 12550 |

Here are some strategy tips to ensure that a Buy-In application will be taken and treated appropriately:

- At the top of the application (i.e., the same application used for all Medicaid and public assistance programs), write in a bold script: MEDICAID BUY-IN APPLICATION FOR PERSONS WITH DISABILITIES. Some advocates suggest using a highlighter to make this stand out even more.
- Give the Medicaid agency worker documentation that explains the Buy-In program. Some advocates have told us they have submitted both a copy of our newsletter and a copy of the State Department of Health's policy on the Buy-In, Administrative Directive (ADM) 03-04.

For copies of any of these documents or the Medicaid Buy-In "At-a-Glance" sheet that we have prepared and regularly update, call our toll-free technical assistance line at 1-888-224-3272. Please let us know of problems or success stories so we can report on these in subsequent issues of *The Benefits Planner.*

# THE TECHNICAL ASSISTANCE CORNER

***Question:*** *Your previous newsletter did not explain how the Medicaid Buy-In would work for an individual who is married. I am 53 years old, am disabled by a back problem, and receive $853 in SSDI benefits. I live with my wife who earns $18,000 gross per year and a 12-year-old stepson who is not disabled and does not have any income of his own. I am about to start a part-time job, working at the reception desk of a local health club six hours per week and will earn approximately $200 gross per month. If I am able to do this work, I hope to increase my hours over time. Will I face a spend down if I apply for Medicaid? Will I be eligible for the Buy-In?*

**Answer:** Your Medicaid agency will calculate your countable income under both the spend down and Buy-In programs using the same formula. Since your wife is working, it will use this formula to see if any of her income is "deemed" available to you. Here is how it would work:

Current spend down calculation without your work:

| | | |
|---|---|---|
| Step 1 | Unearned income (spouse) | $ 0.00 |
| Step 2 | Earned income (spouse) | $ 1,500.00 |
| | Allocated for child | - 292.00 |
| | Earned income exclusion | - 65.00 |
| | | 1,143.00 |
| | Additional 50 % exclusion | - 571.50 |
| | Counted earned income | $ 571.50 |
| Step 3 | Unearned income (applicant) | $ 853.00 |
| | General income disregard | - 20.00 |
| | Counted unearned income | 833.00 |
| Step 4 | Total counted income | $ 1,404.50 |

Since $1,404.50 is more than $292, we use the Medicaid couple rate of $934 and subtract it from the countable income, leaving a spend down of $470.50. When you go to work and earn $200 gross per month, your countable income would go up by $100 and your spend down would increase to $570.50.

If you apply for the Buy-In after you start work, your countable income will be $1,504.50. Since this is less than 250 percent of the FPL, i.e., $1,871 in 2003, you will be eligible for the Buy-In. Since this is more than 150 percent of this FPL, i.e., $1,123 in 2003, you will owe a premium when the State starts charging premiums some time in 2004. Your premium is estimated to be $45.14 per month (.03 x $1,504.50).

The NY State Work Incentives Support Center will provide statewide services, including: training through traditional means and through use of the latest technology for distance learning; a toll-free technical assistance line, 1-888-224-3272 (English and Spanish); and a quarterly newsletter, *The Benefits Planner*. To subscribe to the Center's listserv, send your name and email address to tpg3@cornell.edu. To request a print copy of this newsletter, contact the toll-free number above.

## In Our Upcoming Issues ...

- **The Federal Earned Income Tax Credit**
  - Who Is Eligible
  - Using The EITC To Get A Tax Refund
  - Using The EITC To Increase Your Paycheck

**If you have special needs and would like *The Benefits Planner* sent in a special format, would like our Spanish version or would like the newsletter delivered by email, please call our toll-free technical assistance line, 1-888-224-3272.**

## Welcome to *The Benefits Planner*, a Quarterly Newsletter of The NY State Work Incentives Support Center

This newsletter will provide valuable information on how work for persons with disabilities affects government benefits, with an emphasis on the Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) work incentives. Each newsletter will contribute to an ongoing dialogue on topics related to benefits and work. Back issues will appear on the Cornell University website, *www.ilr.cornell.edu/ped* and on the Social Security section of the Neighborhood Legal Services website, *www.nls.org*.

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# MEDICAID BUY-IN – At a Glance

## WHO IS COVERED?

- *Basic Coverage Group*: Workers over the age of 16 and under age of 65 who meet the SSI definition of disability
- *Medical Improvement Group*: Workers with a "severe medically determinable impairment" who were disabled and would otherwise lose basic group coverage due to "medical improvement"

## BASIC COVERAGE GROUP: WHO IS ELIGIBLE?

- Have a disability as defined by the Social Security Administration
- Be at least 16 but not yet 65 years of age
- Be engaged in paid work (includes part-time and full-time work)
- There is no substantial gainful activity rule (i.e., an individual can earn more than $800 per month in 2003 and still be eligible for the buy-in)
- Have a gross income that may be as high as $46,170 for an individual and $61,870 for a couple (as of January 1, 2003)
- Have non-exempt resources that do not exceed $10,000

## MEDICAL IMPROVEMENT GROUP: WHO IS ELIGIBLE?

- Members of the Basic Coverage Group who lose Buy-In coverage due to medical improvement
- Must still have a "severe medically determinable impairment"
- Be engaged in paid work (40 hours per month and earn federally 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, 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

## INCOME LIMITS

- Individuals with countable income up to 250% of federal poverty levels (FPL)(i.e., gross wages as high as $46,170 in a household of 1, and $61,870 in a household of 2 for the year 2003)
- Monthly countable income must be $1,871 or less in 2003 (i.e., up to 250% of FPL). If monthly countable income is $1,123 or less in 2003 (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 rules as used in the regular Medicaid spend down program.
- Typical deductions from income: first $20 of unearned income excluded; first $65, plus 50% of remaining earned income excluded; impairment related work expenses is 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 $3,685 in gross monthly wages and no other income. This individual will have $1,800 in countable monthly income ($3,685 – 20 – 65 = 3,600 – 1,800 = $1,800). Since this is less than 250 % of the FPL for 2003, this individual will be eligible for the buy-in.

## ASSET LIMITS

- $10,000 is allowed in countable resources (i.e., bank accounts and other liquid resources)
- Exempt resources include: a house, a vehicle, certain life insurance policies, a limited burial reserve, and several other items

## PREMIUMS

- A moratorium exists on premium collection until the Department of Social Services completes the automated payment system currently estimated as the spring of 2004
- Premiums range from $0 to $674 yearly (assuming all income is earned) in a household of 1
- Premiums apply to all net income
  - Below 150% of FPL – NO PREMIUM
  - 150% - 250% of FPL – Premium of 3% of net earned income and 7.5% of net unearned income.
- Thus, a single individual with a disability could return to work and earn $46,170 annually by paying a Medicaid premium of less than $60 per month (at the top level)
- Example: Using the example above, with $3,685 in gross monthly income and $1,800 in countable income, the individual's monthly buy-in premium would be $54 (i.e., .03 x $1,800).

## APPLYING FOR THE MEDICAID BUY-IN PROGRAM

- Application for the Medicaid Buy-In Program for Working People with Disabilities must be made at the Local Department of Social Services or the Human Resources Agency in New York City.

## CASE PROCESSING

- As the program began on July 1, 2003, State Department of Health Administrative Directive (ADM) 03-04 (June 9, 2003) had been issued to govern case processing in counties outside of New York City
- New York City will have its own case processing instructions for the Medicaid Buy-In program in a policy to be issued