

1619B-DAC

Your Path to Success!

Answers To Your Work Questions
From NYS PROMISE

Two Ways to Keep Medicaid After You Lose SSI

The 1619b Program and Continued Medicaid
for Social Security Disabled Adult Children

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PROMISE
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This brochure includes
calculations and numbers that
reflect 2018 standards.

In This Guide

The purpose of this guide is to educate New York youth with disabilities and their families about how they can qualify for Medicaid benefits in two circumstances: when they are not eligible for Supplemental Security Income (SSI) due to earned income; and when they lose their SSI due to their receiving Social Security Disability Insurance (SSDI) benefits because a parent died, became disabled or retired.

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Section 1619(b) Allows SSI Beneficiaries Who Lose SSI Cash Payments Due To Work to Keep Medicaid

In New York State, Supplemental Security Income (SSI) beneficiaries who receive at least \$1 in SSI automatically qualify for Medicaid. One of the biggest concerns SSI beneficiaries have about going to work is the possibility of losing Medicaid coverage should they become ineligible for SSI. Section 1619(b) allows a person who loses the right to a cash benefit through the receipt of wages to continue automatic Medicaid eligibility in most cases.

There is an earnings threshold or earnings limit in every state for 1619(b) that is annually adjusted. In New York, the earnings limit is \$46,316 per year in 2019. A special rule that allows for a higher earnings limit in some cases will be discussed later in this guide.

Two examples illustrate how the 1619(b) benefit can work:

Beneficiary Receives SSI Only and Works

Example: Jim is an 18 year-old PROMISE participant who lives alone and receives SSI benefits of \$858 per month (i.e., the 2019 living alone rate). He goes to work and earns \$1,800 gross per month (earning just under \$11 per hour). Using SSI's formula for budgeting income, Jim's monthly countable income will be $\$857.50$ ($\$1,800 - \20 (general income disregard) - $\$65$ (earned income disregard) = $1,715 / 2 = \$857.50$). Since this is more than the \$822 SSI rate, he will lose his SSI payment. Jim keeps his Medicaid through 1619(b), since his annual income of \$21,600 is less than New York's threshold of eligibility (\$46,316 in 2019).

Beneficiary Receives SSDI and SSI and Works

Example: Patricia, age 19, resides with her two young children and receives \$630 in SSDI benefits and \$148 in SSI benefits. She goes to work part time and earns \$465 per month in gross wages. She will lose her SSI cash benefits. This is because she has \$810 of monthly countable

income, i.e., \$610 of her SSDI (\$630 - \$20 general income disregard) and \$200 of her wages (\$465 - \$65 earned income disregard = \$400/2 = \$200), which will be counted against New York's 2019 SSI living with others rate of \$794.

Under these facts, Patricia keeps her Medicaid through 1619(b). This is because she lost her SSI due to wages and her annual income from wages (\$5,580) is less than New York's 2019 1619(b) threshold for eligibility (\$46,316).

What Are 1619(b) Eligibility Criteria?

Individuals having established both a loss of SSI due to wages and annual wages less than the state's 1619(b) threshold would also have to meet additional 1619(b) criteria:

- continue to be blind or disabled;
- have been eligible for either an SSI payment or 1619(b) Medicaid in a prior month during the past 12 months;
- have both unearned income and resources that are within SSI limits; and
- meet a Medicaid use test (i.e., has used Medicaid during the last 12 months; expects to use Medicaid during the next 12 months; or would be unable to pay unexpected bills in the next 12 months without Medicaid).

In some cases, a New Yorker with a disability can establish 1619(b) eligibility at income levels higher than \$46,316 per year under an "individualized threshold" of eligibility. An example of how to establish an individualized threshold is illustrated below.

Beneficiary Earns Above 1619(b)'s Threshold Amount

Example: Harry is an 18 year old SSI beneficiary who has a spinal cord injury. He is a PROMISE participant who just started college and worries about the loss of Medicaid when he starts work after college (he hopes to have starting pay of more than \$50,000 as an engineer). He lives in an accessible apartment at college and depends on Medicaid-funded home health aides to meet his needs. His Medicaid-funded services cost approximately \$45,000 per year.

Harry's PROMISE-funded benefits adviser explains that he would be eligible for 1619(b) Medicaid if he were to start working a \$50,000 per year job in July 2019 even though making more than the usual \$46,316 limit. Based on Harry's situation and this year's figures, his "individualized threshold" for 1619(b) would be \$65,748 in 2019 (adding Harry's annual Medicaid costs, \$45,000 to a \$20,748 base amount). Since his \$50,000 salary would be below that figure, his Medicaid would continue. Knowing that Harry is likely to be four years away from a full-time job, the benefits adviser explains that Harry can check from time-to-time with her while attending college to see if the 1619(b) eligibility limits change and to discuss his earnings expectations. It does look like Harry will be able to stay on Medicaid through 1619(b) when he gets his first job after graduation.

How Does a Beneficiary Ensure That the Transition to 1619b Proceeds Smoothly?

An SSI beneficiary should report their earnings to the Social Security Administration (SSA) monthly. At the time that the SSI cash payments stop due to reaching the Break Even Point (the point when earnings cause the SSI payment to go to zero), the SSA computer will automatically determine financial eligibility for 1619b and inform the beneficiary of their eligibility for this Medicaid protection. This information will be sent electronically to the local Department of Social Services Medicaid office or to the Human Resources Administration (HRA) in New York City.

Are There Any Other Benefits to the 1619(b) Program?

The other benefit of 1619(b) is that by continuing to qualify for Medicaid, the individual with a disability retains their contact with the SSI program. This means that if a working 1619(b) beneficiary loses their job or reduces wages to below the break-even point, they could go to the SSA office and request that their SSI benefit be reactivated. The SSI payment will start again. Thus, it is very important to always report earnings to Social Security each month to have the SSI benefit adjusted accurately.

As stated above, eligibility for 1619(b) is your connection to the SSI program. Thus, it is also very important that you never give up your Medicaid benefit should you become eligible for health insurance from an employer. Medicaid will pay for health insurance co-pays and will even pay the individual's share of insurance premiums in some cases. Thus, you will always need Medicaid for your health needs. Remember, keeping 1619(b) Medicaid keeps your connection to the SSI program.

Young People Who Lose SSI When They Start Getting Social Security Disabled Adult Child's Benefits May be Able to Keep Automatic Medicaid

What Are the Disabled Adult Child (DAC) Eligibility Criteria?

An adult child who became disabled prior to age 22 may be eligible for DAC benefits if a parent dies, retires, or begins to receive Social Security disability (SSDI) benefits. This applies to adult children who were receiving SSI benefits, adult children who were receiving SSDI benefits on their own earnings record, or adult children who had never received any prior SSDI benefits.

The adult child must be (1) unmarried, (2) age 18 or older, and (3) have a disability that started before age 22. DAC benefits generally end if the adult child gets married. However, some marriages (for example, to another DAC beneficiary) are considered protected. DAC benefits are also known as Childhood Disability benefits (CDB).

The Special Medicaid Rule for DAC Beneficiaries

Most importantly, DAC beneficiaries who lose SSI because of the receipt of DAC benefits, or because of an increase in the amount of these benefits, are eligible for Medicaid if certain criteria are met. The individual must have become disabled or blind before age 22, and must have lost SSI as the result of entitlement to a DAC benefit, or an increase in the DAC benefit. If the individual would be eligible for SSI benefits if the amount of the initial entitlement or the DAC increase were disregarded, the individual is eligible for Medicaid. However, if the person receives income from another source or exceeds the SSI resource limits, he or she may become ineligible for Medicaid coverage.

Example: Ed is a 19 year old PROMISE participant who has been an SSI beneficiary since he was 11 years old. He does not have an earnings record. Both his parents have been alive and healthy. His dad dies, unexpectedly, of a heart attack. His dad had a good earnings history. Ed's case manager tells him that he can apply for Social Security DAC benefits based on his dad's earnings record. Ed would be entitled to \$1,200 per month. Ed is entitled to the DAC benefits because he is unmarried, is over the age of 18, and his disability began before he was 22 years old as he started receiving SSI benefits when he was 11 years old.

Ed is both happy and worried. He would like to have the extra cash benefit but worries that by losing his eligibility to SSI, he will lose his Medicaid. The case manager explains to Ed that since he meets the DAC criteria and he would lose his eligibility for SSI benefits due to the receipt of DAC benefits that his Medicaid eligibility will continue.

How Does A Beneficiary Ensure That The Transition To DAC And Continued Medicaid Eligibility Proceeds Smoothly?

An adult SSI beneficiary should report the death, retirement or disability status of a parent to the Social Security Administration. At the time that the SSI cash payments stop due to the receipt of DAC benefits, the SSA computer will automatically create a computer code on the electronic file it sends to the State Medicaid agency. The coded file is then forwarded to the local Medicaid agency. When the local Medicaid agency reviews for future eligibility, this electronic file gives them the information necessary to determine Medicaid eligibility under the DAC criteria. If a problem occurs and Medicaid is not continued automatically, you should call your benefits adviser, the local Legal Services or Legal Aid Program, or the PROMISE Work Incentives Hotline at 1-888-224-3272.

Are There Any Work Incentives That Can Support Work?

The SSI program has many work incentives available that act as income exclusions or disregards. These work incentives can be deducted from gross monthly earnings as part of SSA's calculation in determining the amount of your adjusted SSI cash benefit. A brief description of each follows:

The \$20/\$65 Plus 50 Percent of Remaining Earnings Exclusion allows the SSI beneficiary to reduce their total unearned income by \$20 and their countable gross monthly earnings by \$65 (or \$85 if no unearned income) plus another 50 percent of the remaining earned income.

Impairment-Related Work Expenses (IRWE) are work expenses related to a disability, or medical condition for which they receive treatment, that are needed to work and are paid for by the individual.

Blind Work Expenses (BWEs) are any ordinary and necessary expenses related to the earning of income for an individual who is blind and are paid for by that individual.

Plan to Achieve Self-Support (PASS) allows an individual to set aside their own income and/or resources in a special account, not counted for SSI purposes, with the money to be used for expenses that will support their long-term work goal.

Student-Earned Income Exclusion (SEIE) helps students under the age of 22 who regularly attend school, receive SSI, and work to exclude up to \$1,870 per month up to a maximum of \$7,550 per year in 2019. These figures change each year.

These are all SSI work incentives and can positively affect the amount of an individual's SSI cash benefit. The impact of each is determined by the placement of the exclusion in the SSI calculation. Note that other guides on these work incentives will be available to provide more detailed information on how they work.

What if I Have Questions About How My Benefits will be Affected by Going to Work?

If you have questions about how your benefits will be affected by going to work, you can contact specialists to assist you toll-free at **1-888-224-3272**. The hotline is available during business hours Monday through Friday, except on holidays. Every effort will be made to return calls the same day or within one business day.

Additionally, SSA has contracted with local organizations to provide work incentives counseling services for SSDI and SSI beneficiaries. The Work Incentive Planning Assistance (WIPA) agencies have people who have been specially trained to help individuals with disabilities who are considering going to work or who are working. You can get a list of the WIPAs in New York at: <http://www.chooseworkttw.net/findhelp> (search by state or zipcode).

If you are involved in the PROMISE project, you are entitled to the benefits advisement service which includes work incentives counseling. If you do not have a benefits adviser assigned to you, ask your PROMISE case manager to refer you for this service.

Questions about how earnings
impact your disability benefits?
Call us toll-free at 1-888-224-3272

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