



HEALTH CARE COVERAGE CASE STUDY FOR A PERSON WITH A DISABILITY IN 2014 AND BEYOND

Assume that it is 2014 or later for the purposes of these scenarios, when the Patient Protection and Affordable Care Act is fully implemented. States will have the following options to cover people with disabilities¹:

- 1) Medically Needy or “Regular” Medicaid –the pre-PPACA Medicaid program;
- 2) “New” (or existing) high risk pools;
- 3) “Newly eligible” Medicaid coverage for individuals up to 133% of FPL;
- 4) Existing Medicaid Buy-in programs;
- 5) Wrapping Medically Needy or the Medicaid Buy-in around Medicare; and
- 6) Health Insurance Exchanges – if packages and services meet the health care needs.

Scenario A: No Disability Determination

Susan is a single, 48 year old woman who is living with MS. She recently applied for Social Security benefits as she is unable to work at this time due to her medical condition. Susan is a saver, so she is currently living off of the money she saved when she was working.

Susan does not yet meet the definition of disability and may have significant assets, both of which preclude her from getting Medicaid through categorical or medically needy Medicaid. She is a “newly eligible” under PPACA.

¹ Because state to state variation on PPACA implementation is so great, and states are still making decisions whether they will implement optional coverage groups early, pre-2014 scenarios are not useful.

Scenario B: Meets Disability Definition

In June of 2014, Susan is awarded Social Security benefits retroactively to January 2014 in the amount of \$1000 per month. Her Medicare will begin in 2016. She has depleted her savings, but she does have \$6000 in her back award.

Now, Susan does meet the definition of disability. She has no countable assets now, as the SSA back award will be disregarded for the next several months. At this point, Susan may qualify for “medically needy” Medicaid (“regular” Medicaid) or stay with her “newly eligible” Medicaid. Her decision may rely on many factors, including her ability to meet a spenddown if applicable and the differences between the package of services offered by the two different insurance programs.

Scenario C: Meets Disability Definition and Has Earnings

By January 2015, access to disease modifying medications through her new health insurance has Susan feeling much better. She hates living off only \$1000 per month, so she decides to get a job at her local gift shop and earns \$800 per month in gross wages.

Susan’s income is now too high for “newly eligible” Medicaid. But she does qualify for her state’s Medicaid Buy-In Program and joins it to maintain her health insurance.

Scenario D: Meets Disability Definition and No Earnings

In June 2015, Susan’s condition starts to worsen and she quits her part-time job.

Susan is back to where she was before her job. She qualifies for both “newly eligible” Medicaid and “medically needy” Medicaid (assuming she has no asset issue and has spent her SSA back award down if necessary). Susan will need to decide which program best meets her needs.

Scenario E: Medicare Eligible with No Earnings

In January 2016, Susan is eligible for Medicare.

Susan is no longer qualified for “newly eligible” Medicaid because of her Medicare status. She is still qualified for medically needy Medicaid and may or may not choose to meet her spenddown. She qualifies for the Medicare Savings Program to pay her Medicare Part B premium and Part D “extra help”.

Scenario F: Medicare Eligible with Earnings

In June 2016, Susan is feeling better and starts back up at her part-time job.

All pre-PPACA rules apply here. She will qualify for Medicaid Buy-In and may need to join this to keep her Part D extra help. She may or may not lose access to the Medicare Savings Program, depending on her income and the state rules for counting income. Medicare continues when you get an SSDI check and through Medicare continuation if you leave the SSA rolls.

Scenario G: Disabled but No Longer On Medicare or Social Security

In January 2017, Susan begins to work full-time as the manager of the gift shop. She stops receiving cash benefits. Years later, she loses entitlement to Medicare as her Medicare continuation ends.

At this time, Susan may decide to join the Medicaid Buy In Program if she can still meet the disability definition or participate in her state health insurance exchange. Her decision may hinge on the benefits package.

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