Navigating the Medicaid Maze

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The Arc of New Jersey

- Largest non-profit advocacy organization for people with intellectual and other developmental disabilities and their families
- Parent directed membership organization founded in 1946
- Chapters in all 21 counties
- Affiliated with The Arc of the United States
- Governed by a volunteer Board of Directors
Mission Statement

The Arc of New Jersey is committed to enhancing the quality of life of children and adults with intellectual and developmental disabilities and their families, through advocacy, empowerment, education and prevention.
Departments of The Arc of NJ

- The Arc Family Institute
- Governmental Affairs/Public Policy
- Public Affairs/Communications

Programs & Projects

- Mainstreaming Medical Care
- New Jersey Self-Advocacy Project
- Project HIRE
- Criminal Justice Advocacy Program
- Planning for Adult Life
Important!

- During the coronavirus pandemic, no one should receive a Medicaid termination notice!

- When coronavirus pandemic ends: If a person loses eligibility for one type of Medicaid, the Medicaid office is required to find out if person is eligible for another Medicaid category before sending termination notice.
How to contact local Social Security office by phone
What happens to SSI and Medicaid for son/daughter with I/DD when a parent starts to collect Social Security retirement benefit?
SSI and Medicaid in NJ

- Majority of adults (18 and older) with I/DD have SSI and Medicaid.
  - When individuals have SSI, they have Medicaid automatically, without a separate Medicaid application.
- Expect some changes to the son/daughter’s SSI & Medicaid when a parent collects Social Security retirement, or if parent becomes disabled or passes away.
Eligibility for Medicaid as a Section 1634 DAC

- Social Security Admin. (SSA) definition of a Section 1634 DAC:
  - A person who was receiving Supplemental Security Income (SSI) benefits (and Medicaid) and who meets the following:
  - Is at least 18 years of age;
  - Has blindness or a disability which began before the age of 22;
  - Has been receiving SSI based on blindness or disability; and
  - Has lost SSI due to the receipt of Social Security benefits on a parent’s record due to the retirement, death, or disability of a parent.
- Also, the person cannot have more than $2,000 in resources in his/her name (not including a Special Needs Trust or ABLE account.)
Medicaid application as a Section 1634 DAC

- Upon retirement, death, or disability of a parent: If son/daughter has SSI, this is what parents should know:
  - Will receive SSDI instead of SSI. **Medicaid that started when SSI started will be ending.**
  - Letters from Social Security and Medicaid will arrive – previous form letter said Medicaid will stop in 4 months.
  - Medicaid form letters are changing.
RFI = Request for Information (New Medicaid application)

- Parent should receive a Request for Information (RFI) email from DDD. During the coronavirus pandemic, this RFI will be emailed, rather than mailed.

- The RFI (which is the ABD Medicaid application), should be completed and returned promptly to the address provided.

- Check with Support Coordinator if you don’t receive it after son/daughter has switched to SSDI.
When applying for Medicaid...

When SSI/Medicaid is ending due to parent’s retirement (or due to parent’s disability or passing away):

- Son/daughter with I/DD cannot have more than $2,000 in assets with these exceptions:
  - Funds in ABLE account (up to $15,000 can be deposited per year)
  - Funds in a Special Needs Trust
Special Needs Trusts (SNT)

- If setting up SNT, be sure the attorney is very experienced with this type of trust for Medicaid beneficiary.
- If the SNT has been funded, Medicaid will want to review the document.
- Whenever there are expenditures from SNT, save all receipts. Follow Medicaid regulations.
New information!

- Previously: When a person with I/DD had SSI and then a parent retired, became disabled, or passed away – the switch to SSDI was automatic.

- Recently: Some parents are being told they need to do a new application to Social Security before SSDI is effective.

  - Important to save all medical & IEP documents from when SSI is approved, to provide during a Social Security re-application process, if necessary!
Some people with I/DD who are employed have NJ WorkAbility Medicaid. What can change when a parent collects Social Security retirement benefit?
NJ WorkAbility

- Eligibility: Persons with permanent disabilities, who are working PT or FT, between ages 16 and 64.

- In 2020: Individual’s gross *earned income* can be much as $64,596/yr, or $5,383/mo. Can have $20,000 in personal assets and still qualify.
  - IRA & 401K personal retirement accts are okay; not counted for eligibility
NJ WorkAbility: Difference between “earned” & “unearned” income

Unearned income:
- Examples of unearned income: SSDI from a parent’s work record; unemployment income; investments.
- In 2020: Unearned income threshold cannot exceed $1,064/mo. If unearned income exceeds that amount, not eligible for NJ WorkAbility.

Earned income:
- SSDI income from individual’s own work record.
What can cause termination of NJ WorkAbility?

1. No longer employed.
2. Receiving *unearned* income above the threshold ($1,064/month in 2020)
3. Becomes 65 years old

If receiving DDD services, can apply for a different type of Medicaid through DDD Waiver Unit, but total income can’t exceed $2,349/mo. (2020).

No one should be terminated from any type of Medicaid during the coronavirus pandemic.
ABLE Accounts
Achieving a Better Life Experience
(ABLE) Act of 2014

- Helpful if “spend down” is needed for Medicaid eligibility.
- Persons with disabilities can deposit up to $15,000/year in an ABLE tax-exempt savings account (in 2020).
- Eligibility: Must be receiving SSI or SSDI; Age of onset of disability must be before age 26, OR
- With medical documentation, can deposit money into ABLE account (up to max. of $15,000/yr) as spend-down before applying for SSI.
- ABLE accounts won't affect continuing financial eligibility for Medicaid, SSI and other public benefits.
ABLE Accounts (cont.)

- ABLE accounts are available in NJ. Can open ABLE account in this state or another state.  
  [https://savewithable.com/nj/home.html](https://savewithable.com/nj/home.html)

- Visit the ABLE National Resource Center website [www.ablenrc.org](http://www.ablenrc.org), for state-specific information. Great website; webinars; state-by-state comparisons.

- Important: Upon the death of the beneficiary, the state in which he/she lived may file a claim for all or a portion of the funds in the ABLE account to recoup costs paid by the state while the beneficiary was receiving services through the state Medicaid program.
Medicare and Persons with a I/DD
Obtaining Medicare after 24 months of SSDI benefit

- When a person with I/DD has been receiving SSDI for 24 months, Medicare starts automatically.
  - Medicare also occurs due to person with I/DD’s own work record and SSDI for 24 months.
  - A person who has both Medicare and Medicaid is known as a “dual eligible.”
- Cannot apply for Medicare without having the SSDI benefit (or turning age 65).
Having both Medicare and Medicaid

- Can have both Medicare and Medicaid with ABD Medicaid.
  - Medicare is first payer.
- Cannot have both Medicare and Medicaid with “regular” NJ FamilyCare (Medicaid expansion).
- The Arc of NJ has a Fact Sheet on dual eligibles with I/DD.
- With Medicare and Medicaid benefits, Medicare is primary.
- If person also has private health insurance: under some circumstances, Medicare is primary; other situations private insurance is primary.
Medicare Part B

- **Without Medicaid**, the Medicare Part B premium:
  - $144.60/month in 2020
  - $148.50/month in 2021

- **Having both Medicare and Medicaid**: NJ Medicaid pays the cost for Medicare Part B. But for the first 2 or 3 months, the Medicare fee will be deducted from Social Security benefit.

- Then the problem should be corrected automatically.
Free Help from NJ WINS when Person with I/DD is Employed

- Some additional Medicaid-related complications are possible when person who has SSI or SSDI is employed.
- **Substantial Gainful Activity (SGA) max. for 2020 - $1,260/month, gross income.**
- Free help available from NJ WINS for persons with disabilities who are planning to work, or are already employed, and want to know if they can maintain SSI, SSDI, and Medicaid while working.
- Website: [www.njwins.org](http://www.njwins.org) The “contact us” page lists the staff contact info by county, including company cell number and e-mail address.
NJ Medicaid that does not pertain to having a disability
Medicaid/NJ FamilyCare – not connected to having a disability

- Income maximum for 2020: $1,468/month; ($17,616/year)
- Eligibility based on low income, not on disability.
- Cannot be a dependent on parent’s tax return!
- NOTE: - Cannot receive Medicare and have this type of Medicaid.
  - Example: Receiving SSDI and then Medicare starts after 24 months.
IMPORTANT: Continuation of Parent’s Private Health Insurance AFTER age 26

- All young adults can stay on parent’s health insurance until age 26.

- **BEFORE** child’s 26th birthday – parent requests a form from employer’s Human Resources Dept.

- Special process for young adults with disabilities who are not capable of self-sustaining employment to stay on parent’s employer’s health insurance – for as long as parent has the health insurance.

- Can have private health insurance *and* Medicaid. Medicaid is always payer of last resort.

- The Arc of NJ’s fact sheet on private insurance.
Questions?