



**FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.**

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## **Medicaid Buy-In: Ensuring Health Care Access for Persons with Developmental Disabilities**

The Medicaid Buy-In Program would allow people with disabilities on Social Security Disability Insurance (SSDI) to go back to work without fear of losing their Medicaid, as long as they share in paying for their Medicaid services. Current state policy encourages persons with various disabilities to stay home and have taxpayers support their living expenses instead of allowing these individuals to work and decrease their dependence on government support. The proposed Medicaid Buy-In program would continue to offer Medicaid coverage to people with disabilities who are working. Once they enrolled in the program they would have the opportunity to earn more and save more than the allowable limits for regular Medicaid and still retain their health care coverage through the state's Medicaid Program.

**Many individuals go through vocational training programs, supported employment and other work incentive programs only to have their “bubble burst” when facing the options of losing healthcare benefits or having to work only part-time. The choice between work or health care affects many people with disabilities receiving SSDI.**

- ★ Current state policies sometimes cause people with disabilities receiving SSDI to lose their Medicaid when they work.
- ★ Without Medicaid services, the SSDI beneficiary with a disability may lose the ability to work.
- ★ Private insurance through employers may not be available or may not meet the needs of the individual with a disability.

### **In 1999 Congress passed the Ticket to Work and Work Incentives Act.**

Recent surveys indicate that 20 percent of the United States' population has a disability. In an effort to promote equal opportunities for persons with disabilities, Congress passed the Ticket to Work and Work Incentives Act (TWWIA) in 1999. A major feature of this federal legislation is a state option to allow individuals with a disability who are working to “buy-in” to their state Medicaid program. Forty-two states have included this option in their State Medicaid Plan. The individual with a disability “buys-in” to the state Medicaid program by paying a premium that is determined by the state; this premium cannot exceed 7.5 percent of the participant's income. Some states do not collect premiums and still find the program to be cost-effective. Under the Medicaid Buy-In program as authorized by the TWWIA, states have options to determine “income” and “asset” levels that may differ from State Medicaid Plans. Costs of this coverage can be contained by the design of the program elements and the impact it has on the number of individuals who will be eligible.

**An initial minimum investment will yield positive returns and extra funds are available to the state to implement this program. The Federal Center for Medicare and Medicaid Services provides funds to Florida and other states that can be used for start-up costs in implementing a Medicaid Buy-In program.**

- ★ It is estimated that \$700,000 to \$1.3 million would be the range of the first year Medicaid cost to have a Medicaid Buy-In program in Florida. This cost is based on having 1000 people enrolled in the first year. The cost would rise as more individuals were enrolled.
- ★ Many people who would be eligible are already Medicaid recipients. This would help minimize the cost of implementing the program.
- ★ Medicaid could pay the premiums of an employer-sponsored health plan if it were in the best interest of the state and did not harm the Medicaid coverage participant.
- ★ Individuals would be required to be employed or engaged in preparation for work.
- ★ Individuals would be allowed to remain in the program for a period of up to one year premium-free if they were forced to leave the workforce because of health concerns or involuntary separation.
- ★ A December 1999 study by the Able Trust reported that 23 percent of the earned income for an individual with a disability would be returned to the state and federal governments in taxes that the state uses to operate.
- ★ Economic stimulus: This program allows individuals to earn up to \$39,000 annually, providing the opportunity to increase individual income by up to \$11,345. This translates into a potential increase in consumer spending by this amount, providing a significant economic stimulus package for the state.
- ★ Reduced strain on the medical system: Research also shows that when a person is working, their use of medical services decreases.

**The Florida Developmental Disabilities Council Inc. supports a Medicaid Buy-In Program that improves individuals' ability to work, keeps vital health coverage and lowers the dependence on government assistance.**

