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Bulletin No. 10-04

P-2421 E

P-2421 Documentation of SSI/AABD-Related Eligibility FactorsE. Eligibility for Working People with Disabilities (WPWD) Program Rule 4202.4 (B)

ACCESS has not been programmed to determine eligibility for working disabled individuals.

Follow the steps below to calculate a manual budget.

1. Step One - Determine Traditional SSI-Related Medicaid Eligibility.
 - a. Resources - Determine the resources of the individual(s). Resources must not be above \$2,000 for an individual or \$3,000 for a couple.
 - b. Income - Calculate Medicaid assistance group's net income using an ESD 203B1 (SSI/AABD related) worksheet and the rules at 4281.1. Remember to deduct the work expenses for blind individuals (rule 4283.2) and disabled individuals (rule 4283.3).
 - If the net countable income on Line E is below the PIL for 1 or the SSI/AABD payment level for 2, grant traditional Medicaid.
 - If the net countable income on Line E is above the PIL for 1 or the SSI/AABD payment level for 2, go to step 2.
2. Step Two: Determine WPWD Medicaid Eligibility.

The individual must be disabled and working to qualify for WPWD.

- a. Resources
 1. Determine the resources of the individual(s). Resources must not be above \$5,000 for an individual or \$6,000 for a couple, and may include excluded resources (4248.8) that are:
 - Liquid assets accumulated from earnings by a working disabled person on or after 1/1/2000 and kept in a separate account from other liquid assets unless a hardship exists.
 - These may include interest on assets from earnings.

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- A hardship exists when no bank is within a reasonable distance from work or home that permits the person to establish an account without charging a fee.
- Non-liquid assets purchased by a working disabled person on or after 1/1/2000 with savings from earnings or with a combination of savings from earnings and other excluded income or resources.

Note: If you granted a working disabled person traditional Medicaid because they were under the PIL for one or the SSI/AABD income level for two, they are still considered a working disabled person and have the option to set aside money from their earnings in a separate account.

b. Income

1. Compare the assistance group's net countable income on Line E to the 250% FPL guideline (P-2420 B1). If the net income is higher than the 250% FPL guideline, the person is not eligible for the WPWD program.
 - If the net income on Line E is below 250% FPL, go to section 3.
 - If the net income on Line E is above 250% FPL, and the individual is categorically eligible, calculate a spenddown. After the spenddown is approved, screen for eligibility for VHAP, VHAP-Pharmacy, VScript, VPharm, HVP or Premium Assistance and/or QMB, SLMB, or QI-1 programs.

Reminder: QI-1 can only be granted to someone who meets the income test (>120%, ≤135% FPL) AND is not receiving any federally funded health care such as Medicaid, VHAP, VHAP-Pharmacy or VScript. However, QI-1 can be allowed for someone who is also eligible for VPharm.

P-2421 Documentation of SSI/AABD-Related Eligibility FactorsE. Eligibility for Working People with Disabilities (WPWD) Program Rule 4202.4 (B)3. Step Three - Verify earnings using the required proof.

Earnings must be documented by evidence of:

- Federal Insurance Contributions Act (FICA) tax payments,
- Proof of these payments may appear on pay stubs as FICA, OASDI, Social Security Tax or Medicare Tax.
- Self-Employment Contributions Act tax payments, or
- A written business plan approved and supported by a third-party investor or funding source.

a. Employed - If the individual is employed, a copy of a pay stub must be provided upon application and at each review to proof that FICA taxes are being deducted. If the applicant has multiple employers, they only need to verify that FICA tax payments are being made from one employer.

b. Self-Employed - If the individual is self-employed, one of the following tax forms must be provided at application and at each review to proof that Self-Employment Contributions Act tax payments are being made:

- 1040, Line 27 - shows ½ of the self-employment taxes that are paid by the tax payer
- Schedule SE

Types of self-employment that do not require FICA or SECA tax payments, and thus do not meet the criteria for employment for WPWD eligibility purposes are:

- Rental Income (as shown on Schedule E - Page 1)
- S-Corp (as shown on Schedule E - Page 2)

1. Written business plan: Things that might qualify as a written business plan could include (but would not be limited to) a formal business plan reviewed by the Small Business Administration, a Vocational Rehabilitation Individual Plan for Employment, a written self-employment plan created in conjunction with a person's caseworker, or a written contract containing work/business specifications and payment provisions.

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2. Third-party funding source: The required third-party funding source might be a bank, a credit union, a party to a written contract, a nonprofit social service organization, or a State agency such as Vocational Rehabilitation.

If the applicant cannot show that they are making FICA or Self-Employment Contributions Act tax payments, or if they have no written business plan approved and supported by a third-party investor or funding source, then the employment does not meet the requirement for the WPWD program. Process other health care programs.

If the employment meets the verification requirements as stated above, go to section 4.

- c. If an individual is active WPWD and begins receiving Workers Compensation (WC) or Unemployment Compensation (UC), and will be returning to the same employer at the end of the WC or UC period, he or she can be considered employed for WPWD purposes (assuming the person had been paying FICA prior to the WC/UC taking effect, and will continue to do so when he or she returns to work). WC and UC are considered unearned income and are not excluded from the calculations for the WPWD program.
4. Step Four – Re-determine income using SSI/AABD related Medicaid rules (4281.1).

The following disregards under the WPWD program only apply to the disabled working individual and not to the spouse unless the spouse also meets the criteria for the program.

- a. Disregard all SSDI and/or VA disability benefits for the working/disabled person.
- b. Calculate all of the spouse's unearned income and any other countable unearned income of the disabled person (4281.1) and enter on Line A1 of the worksheet.
- c. Deduct any allowable unearned income exclusions in section B to arrive at the net countable unearned income, Line C and D11.

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- d. Enter any unused portion of the unearned income exclusions, if any, on Line D 2.
- e. Compute Section D by excluding all earned income of the working/disabled person.
- f. Enter the spouse's gross earned income, if any, on Line D1.
- g. Deduct all allowable income exclusions and disregards per 4281.1 (Lines D2 – D9 and D13). The spouse get \$65 plus ½ disregard.
- h. Compare the total countable net income on Line E to the appropriate PIL for (1) or the SSI/AABD payment level for (2).
 - If the resulting income is below the PIL for (1) or the SSI/AABD income level for (2), grant WPWD Medicaid to the working disabled individual. See section 5.
 - If the resulting income is above the PIL for (1) or the SSI/AABD income level for (2), the individual is not eligible for WPWD Medicaid. Process other health care programs without using the special WPWD disregards.

Reminder: Even though you used the spouse's income in the calculations, you cannot grant WPWD Medicaid to the spouse unless he/she is also disabled and working.

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5. Step Five - Grant WPWD Medicaid and screen for BYIN.

- a. Use a BD category code and assign a 12-month review date with a review reason 50.
- b. Screen the working disabled person for QMB and SLMB using the usual SSI/AABD Medicaid rules (i.e., net countable income on Line E at Step 1). Remember, if granting WPWD Medicaid, you cannot grant QI-1.
- c. Do not use the working disabled disregards for BYIN programs.
- d. If you grant QMB or SLMB to a person with a BD code, use the BYIN window in ELIG-C-ME.1 to enter the appropriate code (Y = QMB; S = SLMB) to start BYIN.

6. Granting WPWD Medicaid when eligible for another program.

To change an active VHAP, Premium Assistance, VHAP-Pharmacy, VScript, VScript Expanded, VPharm or HVP recipient to WPWD Medicaid:

- Close active healthcare program with a code 28.
- After the closure goes through background, enter an “X” on the disabled person’s ASSIST ASKED field and enter a “1S” in the ASSISTANCE CASE MEMBER field. If there are other household members, keep the 1A so budget remains correct for other household members. Also consider other household members for ANFC-related Medicaid. Remember that by granting a household member under WPWD Program, you can exclude that person’s income and resources in the ANFC-related eligibility of the remaining household members.
- Review all other panels to be sure the information is current, particularly all earned and unearned income panels.
- Grant the working disabled person Medicaid using a BD category code and assign a 12-month review with a review reason 50.

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P-2421 Documentation of SSI/AABD-Related Eligibility FactorsE. Eligibility for Working People with Disabilities (WPWD) Program Rule 4202.4 (B)7. Applications Needing Disability Determination

- If someone applies for Medicaid, who has not yet been determined disabled, screen the individual's financial eligibility. If the individual passes the financial requirements for traditional Medicaid, forward the disability application to DDS and process as you would for traditional Medicaid.
- If the person fails the traditional Medicaid requirements but passes the WPWD Medicaid financial requirements, check the box on the 213D that states "working - disregard substantial gainful activity".
- If the individual fails the WPWD Medicaid rules and based on earnings, are considered to be engaged in substantial gainful activity, per P-2420 B7. DENY Medicaid w/ RSN 32 and screen for VHAP if the person is not eligible for Medicare or screen for VPharm if the person is eligible for Medicare.

8. Individuals Reaching Full Retirement Age

Individuals may receive WPWD category and disregards until they hit full retirement age, as defined by the Social Security Administration. (To identify an individual's full retirement age, refer to this website:

<http://www.socialsecurity.gov/retire2/agereduction.htm>).

At retirement age, they are no longer eligible for their SSDI income exclusion, as this funding source changes to SSA retirement. However, the working disabled individual's earnings are still excluded and they are still allowed the 250% income test.

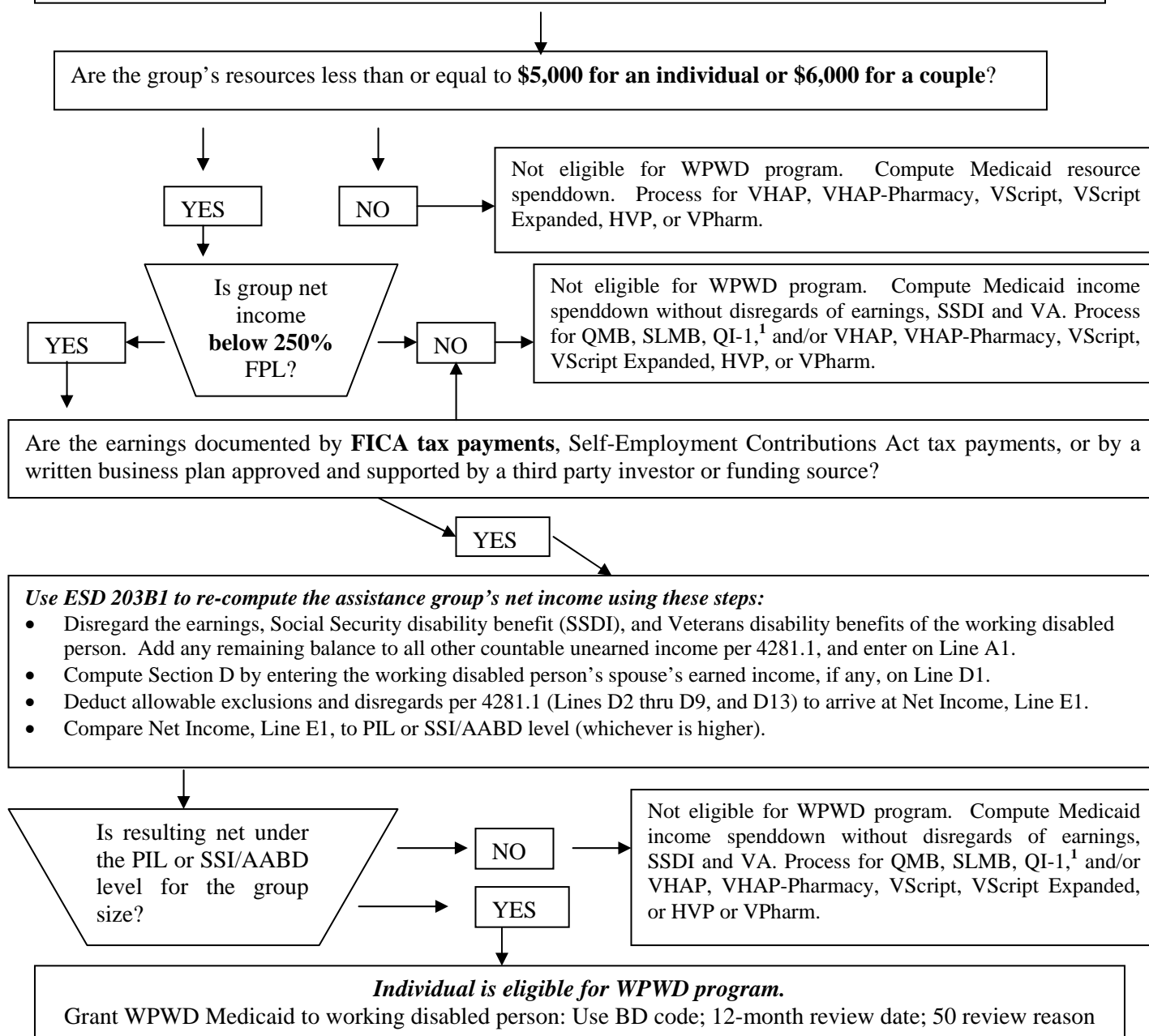
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*If eligible for Medicaid, grant the SSI/AABD-related person(s) using traditional SSI-related rules and category codes. **Compute net income of the assistance group using these tools:***

- SSI-related rules (4281.1) and
- ESD 203B1 - Medicaid Eligibility Worksheet SSI/AABD-related (non-LTC)

If not eligible for traditional Medicaid, follow the procedures below.



¹ **Reminder** – Use traditional SSI-related income rules to process QMB, SLMB, or QI-1. Effective 12/1/05, BYIN programs do not have a resource test.