

H-2100 MEDICAID PURCHASE PLAN for workers with disabilities**H-2110 GENERAL INFORMATION**

The Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170) became law on December 17, 1999. This legislation allowed states to adopt the option of allowing individuals with disabilities to purchase Medicaid coverage that is necessary to enable such individuals to work.

Act 207 of the First Extraordinary Session of 2003 of the Louisiana Legislature directed the Department of Health and Hospitals to implement a buy-in program for working persons with disabilities using the provisions of the Ticket to Work and Work Incentives Improvement Act effective January 1, 2004.

To qualify for Medicaid Purchase Plan coverage, an individual must:

- have a physical or mental impairment at least equal to a medical condition identified in SSA's Listing of Impairments (SGA is not a factor)
- be employed
- be at least age 16 but not yet age 65
- have individual countable income less than 250% FPL
- have individual countable assets less than \$25,000 and
- take no-cost health insurance, if available.
- pay a premium when countable income is equal to or greater than 150% FPL.

Enrollees are eligible for full Medicaid coverage.

Note:

Eligibility for this program terminates the month the enrollee turns age 65.

Link to Procedures: [Premium Based Programs](#)

H-2120 ELIGIBILITY DETERMINATION PROCESS

Determine eligibility by applying the following criteria. The elements have been listed in the most logical order, but work on all steps simultaneously.

H-2120.1 Determine Assistance Unit

The assistance unit consists of the applicant/enrollee.

H-2120.2 Establish Categorical Requirement

Verify that the applicant/enrollee:

- is at least age 16 but not yet 65 (See [E-210](#) for sources),
- has a physical or mental impairment at least equal to a medical condition identified in SSA's Listing of Impairments (Refer to [E-0000, Category](#)), and
- is employed or self-employed.

There is no minimum work or earnings requirement. Employment is defined as a reasonable work effort for which a person receives financial compensation and pays all applicable federal, state, and payroll taxes. If tax withholding amounts are not available, do not deny coverage. **

****Note:**

An individual must be employed or self-employed at the time of the certification start date. If employment is lost for any reason following certification, eligibility may be continued for up to 6 months, as long as the individual intends to return to the workforce. If the individual is no longer working at the time of initial certification, and does not intend to return to the workforce, then certify the individual in a limited MPP certification period with a retroactive close date.

H-2120.3 Establish Non-Financial Eligibility

Verify eligibility for the applicant/recipient with regard to the following factors:

- Assignment of Third Party Rights [I-200](#)
- Citizenship/Alien Status [I-300](#)
- Enumeration [I-600](#)
- Residence [I-1900](#)
- Health insurance coverage - verify eligibility and coverage for no-cost health insurance such as Medicare Part A and certain employer sponsored group health plans.

H-2120.4 Establish Need

A. Determine Composition of the Income/Resource Unit

The MPP income/resource unit includes the applicant/enrollee,

B. Determine Need/Countable Resources

Determine total countable resources of the applicant/enrollee. Income received in any month does not become a resource until the following month. Refer to MEM policy "[I-1630, Need - SSI-Related Resources.](#)"

Compare countable resources to the MPP resource limit of \$25,000.

If resources are greater than the limit, the applicant/enrollee is ineligible for MPP.

If resources are equal to or less than the limit, the applicant/enrollee is resource eligible for MPP. Continue the eligibility determination process.

Exceptions:

All life insurance policies, Medical Savings accounts, all types of retirement accounts, a spouse's share of community property and a spouse's separate property do not count toward the \$25,000 limit.

C. Determine Need/Countable Income

Determine total countable income of the applicant/enrollee. Refer to [MEM I-1530–SSI Related Income.](#)

Budget Steps:

- Step 1 Determine the individual's total monthly unearned income.
- Step 2 Subtract the \$20 SSI general income disregard.
- Step 3 Determine the individual's total monthly earned income.
- Step 4 **** Enter any known taxes withheld from the applicant/enrollee's income. If the applicant/enrollee is self-employed and files taxes, request a copy of the W-2 from the most recent fiscal year. ****
- Step 5 Subtract any remainder of the \$20 SSI general income disregard from gross earnings.
- Step 6 Subtract the SSI earned income deduction from the remaining gross earnings. The earned income deduction is \$65 and one half of the remainder of the earnings.
- Step 7 Combine the remainders in Step 2 and Step 5.
- Step 8 Compare the remainder to 250% FPL. Refer to MEM [Z-200](#).

If the remainder is over the maximum allowable income limit, the individual is ineligible for MPP.

If the remainder is equal to or less than the maximum allowable income limit, the individual is eligible for MPP. Continue with the eligibility determination process.

H-2120.5 Determine Monthly MPP Premium Amount

Determine the monthly premium amount for all months of coverage, including any retroactive months, the month of certification and subsequent months by comparing the total countable income to the monthly premium scale.

Premium Budget Steps

- Step 1 Determine the individual's total monthly unearned income.
- Step 2 Subtract the \$20 SSI general income disregard.

- Step 3 Determine the individual's total monthly earned income.
- Step 4 Verify any taxes withheld from the applicant/enrollee's paycheck. If the applicant/enrollee is self-employed and files taxes, request a copy of the W-2 from the most recent fiscal year. Report any taxes withheld or paid in the budget.
- Step 5 Subtract any remainder of the \$20 SSI general income disregard from gross earnings.
- Step 6 Subtract the SSI earned income deduction from the remaining gross earnings. The earned income deduction is \$65 and one half of the remainder of the earnings.
- Step 7 Combine the remainders in Step 2 and Step 5.
- Step 8 Subtract the monthly amount of any medical (health, vision, dental) insurance premiums paid by the individual.
- Step 9 Compare the remainder to the following scale:

Countable Income	Monthly Premium
less than 150% FPL	\$0
equal to or <u>greater than 150% but less than 200% FPL</u>	\$80
equal to or <u>greater than 200% but less than 250% FPL</u>	\$110

Initial MPP premiums (for the start month and first subsequent month) are due by the 10th of the month following the certification month and invoice date. Regular monthly MPP premiums are due by the 10th of the month prior to the month of coverage. Premiums for any retroactive months, including the month of certification, must be invoiced and paid before this coverage can be added to MEDS.

When premium liability is established, document the applicant's or enrollee's choice of effective date of coverage on Form [MPP-ED](#).

MPP enrollees with premium liability are required to make these payments to maintain coverage. Issue advance notice to close a case when payment has not been timely received. Take no action to close the case for non-payment until cut-off as payments will be accepted through the end of the month.

Individuals whose MPP eligibility has been terminated for non-payment of premiums must pay any outstanding premium balances before MPP eligibility can be re-established, unless the liability has been cancelled by Bureau of Appeals or the BHSF Recovery Unit.

H-2120.6 Eligibility Decision

Evaluate all eligibility requirements and verification received to make the eligibility decision to either reject, close, certify, or continue eligibility.

H-2120.7 Certification Period

An MPP certification period shall not exceed twelve months. If MPP premium liability exists certify effective the month following the month eligibility is established.

Link to Training: [MPP Certification Process in MEDS](#)

H-2120.8 Retroactive Eligibility

Coverage can start as early as three months before application, as long as all eligibility requirements, including payment of premiums, if applicable, are met.

If premium payments are required for retroactive coverage and the month of certification, the payments must be received before the retroactive coverage can be added to MEDS.

Link to Procedures: [Premium Based Programs](#)

H-2120.9 Notice of Decision

Send the appropriate notice of decision to the applicant/enrollee.