

NEW YORK
state department of
HEALTH

Nirav R. Shah, M.D., M.P.H.
Commissioner

Sue Kelly
Executive Deputy Commissioner

ADMINISTRATIVE DIRECTIVE

TRANSMITTAL: 11 OHIP/ADM-7

TO: Commissioners of
Social Services

DIVISION: Office of Health
Insurance Programs

DATE: September 23, 2011

SUBJECT: Medicaid Buy-In Program for Working People with Disabilities:
Disregard Retirement Accounts in Determining Resource Eligibility
and Increased Resource Standards

SUGGESTED DISTRIBUTIION:	Medicaid Staff Staff Development Fair Hearing Staff
CONTACT PERSON:	Local District Liaison: Upstate- (518)474-8887 New York City- (212)417-4500
ATTACHMENTS:	New York State Income and Resource Standards Chart Effective October 1, 2011

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other	Manual Ref.	Misc. Ref.
03 ADM-04 04 ADM-05 10 ADM-02			SSL 366 (1) (a) (12) Chapter 59 of the Laws of 2011	MRG pp. 316-317	GIS 98MA/024

I. PURPOSE

The purpose of this Office of Health Insurance Programs Administrative Directive (OHIP/ADM) is to advise local departments of social services (LDSS) of changes to the Medicaid Buy-In program for Working People with Disabilities (MBI-WPD). Chapter 59 of the Laws of 2011 amended subparagraph 12 of paragraph (a) of subdivision 1 of section 366 of the Social Services Law to establish a new resource standard of \$20,000 for a one-person household and \$30,000 for a two-person household. The law also provides for the disregard of retirement accounts in determining resource eligibility for the program.

II. BACKGROUND

When the MBI-WPD program was implemented in 2003, the resource limit was \$10,000 for a household of one or two. This was considerably higher than the resource level for the SSI-related category of Medicaid, which was \$3,850 for an individual and \$5,600 for a household of two. The higher resource level provided an incentive to individuals with disabilities to join or rejoin the work force and to remain in the work force without the fear of losing Medicaid coverage.

In April, 2008, the Medicaid resource standard was increased to \$13,050 for a household of one and \$19,200 for a household of two and the MBI-WPD resource standard was increased to the same levels. This eliminated the work incentive aspect of the program previously provided by the higher resource level. Chapter 59 of the Laws of 2011 restores the work incentive by raising the resource standard to a level that is higher than the Medicaid resource level.

Additionally, a 2005 survey of New York State MBI-WPD recipients asked respondents to choose from a list of seven options regarding what they would save money for, if they were allowed to have more savings on the MBI-WPD program. Retirement purposes was chosen most frequently from the list, which included housing, medical emergencies, education and future employment; however, saving in a retirement account jeopardized resource eligibility for the MBI-WPD program.

Retirement funds are annuities or work-related plans for providing income when employment ends. They include but are not limited to: pensions; Individual Retirement Accounts (IRAs); 401(k) plans; and Keogh plans. A retirement fund is a countable resource if the SSI-related individual is not entitled to periodic payments but is allowed to withdraw any of the funds. The value of the resource is the amount of money that the individual can currently withdraw. If there is a penalty for early withdrawal, the value of the resource is the amount available after the penalty deduction. Any ordinary income taxes due are not deductible in determining the value of the resources.

A retirement fund is not a countable resource if an individual must terminate employment in order to obtain any payment. If the SSI-related individual is in receipt of or has elected to receive periodic payments, the retirement fund is not a countable resource. For more detailed information, refer to the Medicaid Reference Guide, pages 316- 317.

Chapter 59 of the Laws of 2011 provides for the disregard of retirement accounts for applicants/recipients of the MBI-WPD program. This measure provides further incentive for individuals with disabilities to remain in the work force.

III. PROGRAM IMPLICATIONS

The new resource standard for the MBI-WPD program of \$20,000 for a one-person household and \$30,000 for a two-person household (based on the Living Arrangement (LA) value entered in the Medicaid Budget Logic (MBL) budget; 1-Single Individual, 2-Couple) and the disregard of retirement accounts are effective October 1, 2011.

Financial eligibility for the MBI-WPD program is only one of several requirements that must be fulfilled in order to participate in the program. In addition to financial eligibility, the individual must meet the age, work and disability requirements as well as the usual Medicaid eligibility requirements for citizenship, satisfactory immigration status, residency, etc. The MBL budget output screen will show financial eligibility for the MBI-WPD program. If financially eligible, the district worker is responsible for ensuring that all the other eligibility requirements for the MBI-WPD program are met before authorizing coverage under the program.

IV. REQUIRED ACTION

With the October, 2011 migration, the MBL output screen will be changed to reflect the new resource standard for the appropriate household number. Since the migration will occur in mid-October but the new resource levels are effective October 1, an applicant's eligibility determination should be pended until the migration if there is a budget begin date of 10/1/11, and MBL shows excess resources for MBI-WPD but the applicant appears eligible under the new resource level.

Following the October systems migration, for 04 (SSI-related), 05 (SSI-related and LIF/ADC-related) and 06 (SSI-related and S/CC) budgets, when an individual and/or his/her spouse has funds in a retirement account, and the account is a countable resource, district workers are instructed to use the new Resource Type code 86 (Retirement Account) to enter the amount of the retirement account or funds into MBL. This applies to MBL budgets with a "From" date of 10/01/11 or later. MBL will disregard the amount of the retirement account in calculating resource eligibility for the MBI-WPD program and include the amount in calculating eligibility for SSI-related Medicaid. Districts are reminded that there is no edit in MBL to ensure that an individual has earned income from work in order for MBL to show financial eligibility for the MBI-WPD program. It is the responsibility of the worker to ensure that the applicant/recipient meets all eligibility requirements for the MBI-WPD program, including the work requirement.

V. SYSTEMS IMPLICATIONS

The MBL output screen will continue to show separate eligibility for SSI-related and MBI-WPD eligible individuals. If excess resources exist for the MBI-WPD eligible individual, the new resource level will be shown on the right side of the output screen in the MBI-WPD section in the line labeled "MBI-WPD STD RES." The following line labeled, "MBI-WPD EXC RES," will display the excess resource amount. This line is currently used for the MBI-WPD premium amount but when there is an excess resource amount, the premium will not be shown and excess resources will be displayed. If there are no excess resources, the line will continue to show the premium amount, if the individual would be required to pay a premium.

NOTE: A moratorium continues to exist on **premium collection.**

The following systems modifications have been made to support the changes identified in this ADM. These changes apply to both the MBI-WPD Basic coverage group and the Medical Improvement group.

1. MBL

Upstate and New York City:

The new MBI-WPD Resource Standard for a household of one will be \$20,000 and \$30,000 for two; this is based on the Living Arrangement (LA) value on the budget.

When Resource Type Code 86 (Retirement Account) is entered into MBL with the corresponding dollar amount of the retirement account, MBL will disregard the amount in calculating resource eligibility for the MBI-WPD program only.

2. CNS

A number of CNS notices have been revised to reflect the new resource standard for a one-person and a two-person household.

a. Upstate

The following reason codes received the new resource language.

- U18 Discontinue MBI-WPD, EXC. INC and/or Resources, FHP Ineligible
- U19 Deny MBI-WPD Excess Income and/or Resources
- U05 Medically Improved with a Severe Impairment, Continue MBI-WPD
- U60 Deny MBI-WPD, Not Currently Working, MA/FHP Ineligible
- U62 Deny MBI-WPD, Not Certified Disabled, MA/FHP Ineligible, FP
- U70 Deny MBI-WPD, Failure to Submit Proof of Work, MA/FHP Ineligible
- U64 Deny MBI-WPD, Not Certified Disabled, MA/FHP Ineligible, S/CC
- U74 Deny MBI-WPD, Not Certified Disabled, MA/FHP Ineligible, FNP
- U50 MA to MBI-WPD, Client Request
- S32 Accept MBI-WPD, No Premium Payment
- B44 Deny MBI-WPD, Failed to provide a Medical Statement

Note: Explanation of the MBI-WPD Program (Attached to certain MBI-WPD CNS notices)

b. NYC

The following reason codes have been updated to include the new resource language.

- F26 Discontinue MBI-WPD Excess Resources (C0095)
Deny MBI-WPD Excess Resources (case level)
(D0174)
- F28 Discontinue MBI-WPD Excess Income and Resources
(C0096)
Deny MBI-WPD Excess Income and Resources
(case level) (D0175)

VI EFFECTIVE DATE

The effective date of this ADM is October 1, 2011.



Jason A. Helgeson
Medicaid Director
Deputy Commissioner
Office of Health Insurance Programs