

The Medicaid Buy-in: Supporting Employment for People with Disabilities

The desire for full inclusion of individuals with disabilities in society, along with advances in medical science and assistive technology, has created the opportunity for more participation of these citizens in the workforce. However, the fact remains that individuals with disabilities consistently have high rates of unemployment and continue to experience significant barriers to employment. One of the most commonly cited barriers is the risk of losing eligibility for publicly funded health care coverage, such as Medicare and Medicaid.

The Medicaid Buy-in program, authorized by both the Balanced Budget Act of 1997 (BBA) and the Ticket to Work and Work Incentives Improvement Act of 1999, is intended to address this work disincentive by allowing states to expand Medicaid coverage to working persons with disabilities whose income and assets would otherwise make them ineligible for coverage. There are currently 37 states with an active Buy-in program, and, as of mid-2007, around 80,000 individuals were enrolled nationwide. The programs vary in scope and size but generally allow three important options for individuals:

- ✓ The ability to earn wages that do not force individuals to live at, or below, the federal poverty level;

- ✓ The ability to decrease reliance on government cash assistance programs; and
- ✓ The ability to increase savings for retirement and for important purchases, such as automobiles and houses.

The benefit package provided to individuals enrolled in a Medicaid Buy-in program is identical to that offered under other Medicaid programs for individuals with disabilities. Depending on the specific policies of the individual state and the needs of the enrollee, services provided may include:

- Doctor visits;
- Hospitalization;
- Prescription drugs;
- Psychological services and counseling;
- Durable medical equipment;
- Case management; and
- Long term care services, including home-based personal assistance services, home health care and community-based living arrangements.

In addition to the Medicaid Buy-in program, the Ticket to Work Act also authorized Work Incentives Planning and Assistance grants (WIPA) and Medicaid Infrastructure Grants (MIGs).

WIPA grants provide states with funding to facilitate outreach and education to individuals with disabilities about supports and services for finding, maintaining and advancing in employment. WIPA services also enable individuals with disabilities to learn about the overall effect that employment will have on their income and medical supports, and can alleviate many of the common concerns that individuals have about going to work. The Ticket to Work legislation funded WIPA grants until the end of fiscal year 2009.

MIGs provide states with competitive federal grant funding to assist in the development and improvement of employment supports for people with disabilities; there are currently forty states with a MIG. Many states have used MIGs to develop Medicaid Buy-in programs, to improve the availability of personal assistance services in the workplace, and to expand the capacity of Work Incentives Planning and Assistance programs. States are also using MIGs to engage the broader disability services and workforce development systems to improve knowledge about and support for the employment of people with disabilities. The Ticket to Work legislation authorized MIGs until the end of fiscal year 2011.

While the Medicaid Buy-in programs offer an opportunity to receive critical medical supports without forcing the individual into poverty, and the MIGs and WIPAs assist in the development and outreach of employment supports, a number of crucial policy considerations remain. These considerations include:

- Ticket to Work included an age limit of 16–64 for participants in the Buy-in. As the age of retirement for Social Security benefits increases over the next decade, some people will be ineligible for this program prior to their eligibility for retirement.
- Although Buy-ins allow individuals to increase their savings while on the program, most states do not allow people to enroll in other Medicaid eligibility categories with the higher assets. Once an individual retires or ceases work activity due to health concerns, they must either spend-down all of their savings to become eligible through a different category or lose health coverage.
- Both the Ticket to Work and the BBA legislations did not contain a definition of “employed.” The Centers for Medicare and Medicaid Services has issued guidance that precludes states from attaching requirements that set minimum levels on earnings or hours worked to become eligible, creating difficulty for the states to develop and enforce employment requirements for the Buy-in.