



# **Section 1619(b) Operational Challenges and Selected State Remedies**

**Work Incentives Development Report Series**

**Center for Workers with Disabilities**

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## *About the Center for Workers with Disabilities*

Center for Workers with Disabilities is a technical assistance center for states enhancing or developing employment supports programs for working persons with disabilities. Most of the thirty plus states supported by the Center are using Medicaid Infrastructure Grant dollars to conduct such work.

Authority for the Medicaid Infrastructure Grant (MIG) program was established under the Ticket to Work and Work Incentives Improvement Act of 1999 (P.L. 106-170). To learn more about the Ticket Act go to [http://www.ssa.gov/work/Ticket/ticket\\_info.html](http://www.ssa.gov/work/Ticket/ticket_info.html). The MIG program is administered by the Centers for Medicare and Medicaid Services (CMS). For more information on MIG funding, state-by-state MIG activities, and CMS, go to <http://www.cms.gov/twwiia/default.asp>.

The Center for Workers with Disabilities is a special project of the National Association of State Medicaid Directors (NASMD), an affiliate organization of the American Public Human Services Association (APHSA). To learn more about APHSA, go to <http://www.aphsa.org> and to learn more about NASMD, go to <http://www.nasmd.org>.



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## *Foreword*

Today, individuals with significant disabilities have greater opportunities for employment than ever before. These opportunities have been aided by advancements in public understanding of disability, state and federal efforts, and the disability rights movement.

Employment opportunities also are aided by important public policy initiatives such as the work incentive provisions of Sections 1619(a) and (b) of the Social Security Act, which are aimed at eliminating barriers to health care access as well as enhancing the financial independence and well-being of current Supplemental Security Income (SSI) recipients. Section 1619(a), administered entirely by the Social Security Administration (SSA), allows working SSI recipients to earn at levels higher than the Substantial Gainful Activity (SGA) level and still receive a cash benefit. After a monthly general exclusion of \$20, and a work exclusion of \$65, if applicable, the SSI benefit payment is reduced \$1.00 for each \$2.00 earned.

When earned income eliminates the SSI cash benefit payment, working SSI beneficiaries are evaluated by Social Security for Section 1619(b) eligibility – continued access to Medicaid after the cessation of the cash benefit. Access to Medicaid through Section 1619(b) continues as long as the individual continues to meet the requirements for participation. Other mechanisms states available to states that allow persons with disabilities to work above the regular Medicaid financial tests and retain Medicaid coverage include Medicaid Buy-In state plan options under the Balanced Budget Act of 1997 (BBA) and the Ticket to Work and Work Incentives Improvement Act of 1999 (Ticket Act) and Section 1902(r)(2). The later is a special provision allowing states more liberally treat income, assets, and resources for the purposes of Medicaid eligibility. For more information see Work Incentives Development Report No. 02-2.

Administration of Section 1619(b) is split between the Social Security Administration, which makes the Section 1619(b) status eligibility determination, and state Medicaid agencies. After Social Security field office staff have made the Section 1619(b) eligibility determination, this information is transmitted to the state Medicaid agency via the state data exchange (SDX) file transmittal; states then begin their own process of enrolling eligible individuals in the appropriate Medicaid coverage group.

In recent years, significant work has been done at the state level to further improve employment policies and related implementing administrative infrastructures for persons with disabilities. Nationally, the catalyst for much of these efforts has been the availability of Medicaid Infrastructure Grants established under the “Ticket to Work and Work Incentives Improvement Act of 1999.”

Administered by the federal Centers for Medicare and Medicaid Services, Medicaid Infrastructure Grants offer states financial resources to craft or enhance employment supports policies and develop critical, implementing infrastructure. The reality is, regardless of whether employment policies for persons with disabilities are well written and clearly articulated in rules and regulations, unless there also is an effective,

comprehensive delivery system; individuals with disabilities will continue to face significant barriers to work and successful careering. As part of their efforts to enhance work incentive policies for persons with disabilities and improve administrative structures, several states have identified significant problems with application of Section 1619(b).

The bifurcated administration of Section 1619(b) between state agencies and the Social Security Administration seems the culprit. Not surprisingly, in states where Medicaid eligibility financial standards differ from SSI eligibility standards, so called Section 209(b) states, as well in states where eligibility standards are the same but there is a separate application process, the problem is especially acute.

This technical assistance document is intended to provide background on Section 1619(b), an overview of state options for addressing their Section 1619(b) responsibilities, information on SSA's Section 1619(b) protocol, and information on what two states have done to improve Section 1619(b) administration.

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## Introduction.

In recent years, stakeholders in the disability policy community have focused on the significant challenges persons with disabilities face as they attempt to work or increase their level of employment. The most visible efforts aimed at enhancing work incentives and developing state employment supports programs has been the implementation of Medicaid Buy-In (MBI) programs under the auspices of the Balanced Budget Act of 1997 (BBA; P.L. 105-33) and the Ticket to Work and Work Incentives Improvement Act of 1999 (Ticket Act; P.L. 106-170). These state plan options, under Section 4773 of the BBA and Title II of the Ticket Act, offer new mechanisms for persons with disabilities who meet the Social Security Administration's disability test to work, increase their earned income and savings above the regular Medicaid standards, and maintain health care coverage through the Medicaid program that they otherwise would not be able to access and/or afford.

As state officials, advocates, and others in the disability policy community studied the development of MBI programs, many have pointed to opportunities available in other work incentives provisions and current Medicaid law that pre-date the BBA and the Ticket Act that could complement a MBI program. Such state research and policy development often is conducted as part of states' Medicaid Infrastructure Grant (MIG) work plan.<sup>1</sup> In addition to MBI development, opportunities exist in the application of amplified eligibility methodologies found in Section 1902(r)(2), automatic Medicaid eligibility for State Supplementation cash benefit recipients, and the utilization of Section 1619(b) work incentive for SSI recipients.<sup>2</sup> This report examines opportunities and issues related to the Section 1619(b) work incentive provision.

## Section 1: Background.

Historically, persons with disabilities have relied upon two Social Security programs for assistance in meeting their day-to-day needs. An estimated 3.8 million adults receive cash assistance on the basis of disability via the Supplemental Security Income (SSI) program and more than 4.9 million receive life-sustaining benefits through the Social Security

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<sup>1</sup> Established under the Ticket Act, Medicaid Infrastructure Grants (MIG) are cash awards to states administered by the Centers for Medicare and Medicaid Services (CMS) to finance MBI development efforts, enhance other work incentives, develop related outreach campaigns, and build infrastructure for state employment supports. 38 states now are receiving such MIG funds; to learn more, go to <http://cms.hhs.gov/twwiia/infrastr.asp>.

<sup>2</sup> To learn more about Section 1902(r)(2), see Center publication Special Report Series No. 2 at [www.nasmd.org/disabilities](http://www.nasmd.org/disabilities) or go to CMS' Web site at <http://www.cms.gov/medicaid/eligibility/elig0501.pdf>.

Disability Insurance (SSDI) program. The number of beneficiaries on SSI and SSDI rolls is expected to almost double by the year 2024.<sup>3</sup>

SSDI, Title II of the Social Security Act, provides monthly cash benefits to workers with severe disabilities. Benefits are based on work history and the average benefit payment is currently about \$756 a month. After a two-year waiting period, these individuals also become eligible for Medicare Part A (hospital insurance) without paying a premium. They are also eligible for Medicare Part B, the supplemental medical insurance component of the program for a premium. During the two-year waiting period for Medicare, access to Medicaid is often an important resource. Medicaid also often provides critical coverage items to SSDI beneficiaries who are dually eligible for Medicare and Medicaid such as prescription drug coverage and long term care support services that Medicare does not offer.

SSI, established in 1972 as Title XVI of the Social Security Act, is a means tested cash assistance program for persons with disabilities, severe visual impairments, or over age 65. The SSI program was originally designed as a means to ensure a national minimum level of income assistance for persons with disabilities and the elderly. The Social Security Administration (SSA) administers the national SSI program. The maximum, monthly federal benefit rate in 2002 is \$545. This amount may be reduced by other income and the average payment also varies by age group. States may provide monthly supplements, called State Supplementation Payments (SSP). States determine whether they will make a payment, to whom, and in what amount. In most states, SSI eligibility conveys automatic eligibility for Medicaid; a few states, called Section 209(b) states, have Medicaid eligibility standards that differ from SSI eligibility.

For both of these critical cash benefits programs (i.e., SSDI and SSI), the corner stone of eligibility is a determination of disability based on the “substantial gainful activity” (SGA) standard, which is defined as the inability to engage in SGA due to a disability, which is expected to last for at least 12 months or result in death. SGA currently is defined as earnings of \$780 or more per month for individuals who have a disability other than blindness and \$1,300 for individuals who receive SSI due to blindness; in some instances, earning above SGA may result in the loss of cash benefits.<sup>4</sup>

The loss of SSI or SSDI also jeopardizes the individual’s access to publicly-funded health care coverage (Medicare/Medicaid) which is tied to receipt of cash benefits. Thus, for years, individuals with disabilities receiving cash benefits and also reliant on publicly-financed health care coverage have remained unemployed or drastically limited the number of hours worked and/or dollars earned to maintain their eligibility status.

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<sup>3</sup> *2000 SSI Annual Report* dated May 30, 2001. Social Security Administration, Office of the Chief Actuary.

<sup>4</sup> There are several protections available to SSI recipients, in addition to the Section 1619 provisions, and SSDI beneficiaries. For example, SGA does not come into play for SSI recipients once they are initially entitled. In addition, SSDI beneficiaries do not lose benefits until after he/she has completed 9 trial work months (i.e., Trial Work Period (TWP)) and then earns SGA.

In 1980, Congress passed a series of amendments to the Social Security Act, P.L. 96-265, including authorization for the Social Security Administration to conduct a three year pilot project and study on special continued cash payments to SSI recipients earning above the SGA level (i.e., Section 1619(a)) and continued Medicaid eligibility for individuals who have ceased receiving SSI cash payment because of earned income (Section 1619(b)). The “Social Security Disability Benefits Reform Act of 1984” (P.L. 98-460) extended the Section 1619 (a) and (b) pilots for another three years. And, finally, the “Employment Opportunities of Disabled Americans Act” (P.L. 99-643) made Sections 1619 (a) and (b) permanent features of the Social Security Act, made complementary amendments in Title XIX of the Act -- Section 1905(q) of Medicaid law, and established new provisions allowing SSI recipients to move back and forth among regular SSI, Section 1619(a) and Section 1619(b).

## **Section 2: Section 1619**

Section 1619 is part of an array of work incentives for SSI recipients and allows workers with disabilities receiving SSI to increase their income above SGA and retain SSI cash payments. To be eligible for 1619(a) status, individuals must continue to have the original disabling impairment under which eligibility for SSI was initially determined, and must currently meet all other eligibility rules, including the income and resource test. If all eligibility requirements continue to be met, when earnings increase above the SGA level, SSI recipients are automatically moved into 1619(a) status.

There are no observable differences in the SSI payments indicating the change from regular SSI payment to a 1619(a) special payment. Individuals only receive notice regarding the reduction in their payment when their increased earnings place them over the SGA level. Special 1619(a) SSI payments gradually decrease. Ultimately, the SSI benefit reaches zero, the “break even point” (BEP), and Medicaid coverage is lost unless the individual is found eligible for the Section 1619(b) provision.

While the BEP is primarily defined as the exact amount of monthly gross earnings that will reduce cash payments to zero, other important factors in determining the BEP figure include: a) income of a SSI eligible spouse; b) deemed income from an SSI ineligible spouse; c) deemed income from a parent, in-kind income and support; and d) other sources of unearned income. The benefits of Section 1619(a) for persons with disabilities who are SSI recipients are: a) a gradual decrease in SSI cash benefits as earned income increases which maximizes disposable income; and b) continuing access to Medicaid since the individual’s SSI eligibility is extended. The Social Security Administration (SSA) administers Section 1619(a).<sup>5</sup>

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<sup>5</sup> For a state-by-state list of Section 1619 (a) participants, go to <http://www.ssa.gov/policy/pubs/index.html> and download the report entitled, “*SSI Disabled Recipients Who Work.*”

After the cash benefit payment has been eliminated by earned income (i.e., at BEP), SSI recipients may continue receiving Medicaid coverage under Section 1619(b) as long as they continue to meet all SSI eligibility criteria except for earnings (e.g., a serious disabling condition and have resource at or below the SSI standards). Additionally, Section 1619(b) protected status may only be conveyed if the cause for SSI payment cessation is increased earned income; if cessation of cash benefits is the result of anything other than earnings, the individual is not eligible for Section 1619(b).

Eligibility to Section 1619(b) is not boundless; participants are subject to limits on gross earned income called “threshold amounts;” the amounts vary by state and are based on the cost of publicly financed medical care in each state.<sup>6</sup> If an individual is earning above a state’s threshold amount, then the individual has reached the “sufficiency of earnings” level – (i.e., earnings are considered to be sufficient to cover the cost of Medicaid coverage). The 1619(b) participant may then request that an “individualized threshold amounts” be computed if an individual has unusually high medical costs. Special calculations also are needed if the individual is using work incentives that impact on the calculation, such as impairment related work expenses (IRWE) and Plans to Achieve Self-Sufficiency (PASS).<sup>7</sup> As noted above, appendix I of this publication offers a description of SSA’s guidance to claims representatives on Individualized Threshold Amounts and other, key Section 1619 provisions.

Finally, in order to participate in Section 1619(b), individuals with disabilities must need Medicaid-financed services in order to work. The evaluation process examines Medicaid utilization in the preceding 12 months, expected utilization in the subsequent 12 months or the need for Medicaid should the individual become injured or ill in the following year.

In summary, to qualify for Section 1619(b) protected Medicaid status, working individuals with disabilities must: 1) have a disabling condition; 2) need Medicaid in order to work; 3) be unable to afford health care benefits comparable to those received if not employed; and 4) meet all other requirements for SSI payments other than earnings including the assets, unearned income and resources tests. When SSI cash payments cease due to earned income, following verification of the information listed above and input of necessary information and coding, eligibility for Section 1619(b) is conveyed to CMS and state Medicaid agencies via the State Data Exchange (SDX) system; for more information on SDX, see Appendix I. SSA field offices confirm Section 1619(b) eligibility annually.

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<sup>6</sup> State threshold amounts are updated annually; for an up to date figure, contact the appropriate SSA Regional Office and speak with a member of the SSI Team or a Work Incentive Specialist.

<sup>7</sup> Special calculations related to other work incentives also are needed when determining countable income and BEP.

### **Section 3: Federal and State Government Administrative Responsibilities for Continued Benefits and Services for Working Persons with Disabilities.**

Section 1619 of the Act is intended to provide an integrated package of ongoing income and health services and supports to employed individuals with disabilities. SSA administers the federal SSI program while the Medicaid program is administered by the states.<sup>8</sup> In some states, SSI recipients are automatically eligible for Medicaid. In other states, a separate application for Medicaid is required.

A high level of communication and cooperation among those who administer these programs at the federal, state and local level is required to ensure that persons with significant disabilities are provided integrated and ongoing benefits and supports. Set out below are the options available to states for administering Medicaid eligibility for SSI recipients and the impact these options can have on the access and effectiveness of the Section 1619(a) and 1619(b) work incentives.

**1. Section 1634 States.** In order to integrate income assistance and Medicaid programs, states may provide “automatic” eligibility for Medicaid for those receiving an SSI payment from SSA; such states are called “Section 1634” states because the states’ option to exercise that option is established in that section of the Social Security Act. Through the electronic transfer of information from SSA to the state Medicaid agency (referred to as the SDX transmission), a Section 1619(b) individual can continue Medicaid eligibility without making a separate application to the state or local agency that administers Medicaid. For more information on SDX, see Appendix I.

Under the provisions of Section 1619(b), the basis for the individual's eligibility for Medicaid changes from their status of actually receiving SSI payments to being “considered to be SSI recipients for purposes of Medicaid.” In Section 1634 states, since the same standards and application process are used, for purposes of Medicaid eligibility, there is a seamless continuation of Medicaid eligibility for the individual without requiring additional steps (i.e., a new application and/or different rules). “Automatic” eligibility for Medicaid also applies to Section 1619(b) participants; “SSI recipients” who are no longer receiving any federal SSI cash benefits. Therefore, when an individual moves into Section 1619(b) status, in states with fully integrated SSI and Medicaid eligibility systems, no review or additional steps regarding Medicaid eligibility are needed by those states. In 33 states, SSI eligibility equates to Medicaid eligibility.

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<sup>8</sup> Many states also provide a State SSI Supplement -- a cash payment in addition to the federal SSI cash benefit for certain populations. Some states administered their state supplementation payments while other contract out to SSA. An individual with a disability may lose SSI eligibility or not be eligible for SSI but retain or be eligible for state supplementation payments (SSP). States may offer SSP- only recipients access to Medicaid and access to Section 1619 provisions.

<b>Table 1.</b>	
<b>STATE OPTION</b>	<b>IMPACT ON ACCESS TO SECTION 1619 WORK INCENTIVES</b>
Section 1634 Option: a state enters into an agreement with SSA under which SSA determines eligibility for Medicaid.	<ul style="list-style-type: none"> <li>❑ SSI recipients do not have to make a separate application for Medicaid</li> <li>❑ Automatic continuation of Medicaid under Section 1619(b) when earnings take them out of SSI cash payment status with no additional steps for Medicaid eligibility continuation.</li> </ul>
<p><b>Section 1634 States are:</b> Alabama, Arizona, Arkansas, California, Colorado, Delaware, Florida, Georgia, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Montana, New Jersey, New Mexico, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, Washington, Washington, DC, West Virginia, Wisconsin, and Wyoming.</p>	

**2. SSI Criteria States.** A state also can provide “automatic” eligibility for Medicaid to individuals receiving federal SSI benefits but, in these states, the state requires a separate application for Medicaid. SSI Criteria states must import data on SSI eligibility, which equates to Medicaid eligibility, from local and/or regional SSA office via the “state data exchange” or SDX file transfers. Compatibility and translation of SDX files into state Management of Medicaid Information Systems (MMIS) is often a problem. However, an additional barrier exists in the separate application process for Medicaid. Many states use a manual process for the Section 1619(b) group because of the small size. Eligibility workers, due to workloads, often overlook special procedures for this small but important cohort of workers with disabilities.

<b>Table 2.</b>	
States Uses SSI Criteria for Eligibility for Medicaid for SSI recipients but Requires Separate Application for Medicaid	<ul style="list-style-type: none"> <li>❑ State must ensure that individuals who lose their SSI payment status because of earnings are informed that they remain eligible for Medicaid under Section 1619(b).</li> <li>❑ State must utilize SSA data to track status of individual and ensure continued Medicaid eligibility.</li> </ul>
<p><b>Partially Integrated States:</b> Alaska, Idaho, Kansas, Nebraska, Nevada, Oregon, and Utah</p>	

**3. Section 209(b) States.** The third combination is found in Section 209(b) states that have their own criteria for Medicaid eligibility, different from the SSI program, and that also require a separate application for Medicaid. The same set of administrative issues arises as described above in Table 2. Data from the states provides evidence that this lack of integration of SSI and Medicaid eligibility has a significant impact on the enrollment in Section 1619(b) Medicaid work incentives.

While the separation of administrative functions in Section 209(b) states creates many challenges, it also offers an additional set of possibilities. Because of expanded eligibility discretion under Section 209(b), these states may apply certain provisions of amplified eligibility (i.e., Section 1902(r)(2)) to all aged, blind, and disabled eligibility groups covered under the State’s Medicaid plan including the Section 1619(b) coverage group. Section 1634 and SSI Criteria states may apply Section 1902(r)(2) to only specific cash benefit recipient groups. For more information about Section 1902(r)(2), see Center publication Special Report Series No. 2 at [www.nasmd.org/disabilities](http://www.nasmd.org/disabilities) or go to CMS’ Web site at <http://www.cms.gov/medicaid/eligibility/elig0501.pdf>.

<b>Table 3.</b>	
<p>State Option: “209(b) Option-- State uses Medicaid eligibility criteria that are different than the SSI standards but not more restrictive than the State’s approved Medicaid State plan in January 1972 – the year the SSI law was enacted.</p>	<ul style="list-style-type: none"> <li>❑ SSI recipients are required to make a separate application to the state for Medicaid to become eligible.</li> <li>❑ Section 209(b) states must provide continued Medicaid eligibility under Section 1619(b) when an SSI recipient loses SSI benefit payment status because their earnings takes them above the SSI benefit standard if in the previous month they were eligible for Medicaid under the State’s Medicaid program.</li> <li>❑ State must ensure that individuals who lose their SSI payment status because of earnings are informed that they remain eligible for Medicaid under Section 1619(b)</li> <li>❑ State must utilize SSA data to track status of individual and ensure continued Medicaid eligibility.</li> </ul>
<p><b>Section 209(b) States:</b> Connecticut, Hawaii, Illinois, Indiana, Missouri, Minnesota, New Hampshire, North Dakota, Ohio, Oklahoma, and Virginia. <sup>9</sup></p>	

States in each of the three categories of administration have noted a pronounced lack of awareness about Section 1619 work incentives as well as other, related work incentive

<sup>9</sup> This report contains steps two Section 209(b) states, Illinois and Virginia, have taken to address Section 1619(b) issues. Other Section 209(b) states that have made significant efforts on behalf of Section 1619(b) eligible individuals include Connecticut and Ohio.

provisions across stakeholder groups (i.e., consumers and their families, state staff, community rehabilitation providers, etc.); see below for more detail.

**Tradeoffs and Administration.** States have three broad goals while administering: a) to provide individuals with disabilities supports and services as seamlessly as possible; b) to have maximum flexibility in the design and implementation of state programs; and c) to operate programs in a cost effective manner that respects tax payer dollars. The following is a summary of considerations for states as they approach these goals:

### **1. Minimize the administrative burden placed on the state**

Administrative burden placed on a state can be minimized by, among other things, reducing the number of persons who are making application to the state and reducing the need for re-determining eligibility based on changes in earnings. In order to minimize administrative burden, the state may:

- ❑ Contract with SSA to administer the State SSI Supplementation program. While this offers an administratively simplified process, contracting with SSA to perform this service is extremely costly; as of October, 2001, the cost to a state is \$8.10 per payment. Several states have dropped this contracting arrangement due to financial concerns.
- ❑ Contract with SSA to provide automatic Medicaid for SSI recipients. This option would entail transitioning from Section 209(b) status to either SSI Criteria or Section 1634 status. Or, a SSI Criteria state moving into Section 1634 status. Such a shift in administration poses a dizzying array of administrative work as well as a hefty price tag.

### **2. Enhance state flexibility in the design of its program**

A state also desires maximum discretion with respect to its ability to address the barriers faced by individuals with disabilities by identifying strategies to integrate income assistance and Medicaid with other benefit program applications while targeting benefits and services to meet individualized needs. Policy tools available to states that offer flexibility include: a) the use of less restrictive treatment of income, resources, and assets methodologies such as Section 1902(r)(2) to offer additional flexibility for working person with disabilities;<sup>10</sup> b) decisions about SSI and Medicaid eligibility integration (i.e., Section 209(b), Section 1634, etc.); and c) decisions about eligibility and administration of to State Supplementation programs.

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<sup>10</sup> To learn more about Section 1902(r)(2), see Center publication Special Report Series No. 2 at [www.nasmd.org/disabilities](http://www.nasmd.org/disabilities) or go to CMS' Web site at <http://www.cms.gov/medicaid/eligibility/elig0501.pdf>.

## Section 4: Section 1619(b) Administrative Challenges and Remedies.

Several states have discovered significant problems with the administration of the Section 1619(b) work incentive provision. These difficulties are primarily driven by the divided administration of the provision especially in Section 209(b) states (i.e., separate SSI and Medicaid eligibility standards and a separate application process) but also by a ubiquitous lack of knowledge about the Section 1619(a) and (b) provisions.

State work groups and joint efforts between states and the SSA Regional Offices have identified two broad problem areas. First, at all levels, there is a lack of awareness and/or misconception about Section 1619(b) and, secondly, in Section 209(b) states and, to a degree, in SSI Criteria States, the transfer of information via the SDX file transfer is problematic. The following is list of specific challenges and related recommendations:

- ✓ ***Beneficiaries do not know about Section 1619(b).*** The majority of SSI recipients and their families long have been trained to carefully monitor earned income levels in order to preserve the link to cash benefits and access to life-sustaining Medicaid services and supports. Without significant outreach and training to make stakeholders aware of and comfortable with the Section 1619(b) provision it is unlikely that many would risk increasing their earnings above the \$780 level. To address that need, 1619(b) work groups, usually in collaboration with Benefits Planning Assistance and Outreach (BPAO) staff, have developed state specific flyers and brochures, and special outreach letters.<sup>11</sup> These materials have been mailed to SSI recipients and made available at SSA local offices, local state Vocational Rehabilitation offices, private employment support service providers as well as state grassroots disability advocacy groups. In addition to these efforts, states also are planning to develop a statewide training initiatives on Section 1619(a) and (b) targeted to consumers and their families as well as a statewide outreach campaign implemented by the state's BPAO entities. Lack of awareness or misconceptions about Section 1619(b) is likely true in all states – not just Section 209(b) and SSI Criteria states.
  
- ✓ ***State Medicaid eligibility workers often are unaware of or do not fully understand the Section 1619 work incentives.*** State benefits eligibility workers in field offices face the same day to day challenges as SSA field office (FO) staff – a steady stream of people in need of public assistance and volumes of rules and regulations. SSA staff have partnered with state Medicaid agency staff to provide training and information to front-line eligibility staff on Section 1619 work incentives and on accessing the Section 1619(b) information from the SDX system. The SSA regional office (RO) staff also has recommended that state Medicaid agencies consider identifying a Section 1619 contact(s) to work with regional and local SSA offices “to insure prompt and accurate eligibility decisions.” Several

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<sup>11</sup> Benefits Planning Assistance and Outreach (BPAO) staff are individuals are state or local government or private non-profit employees who provide Social Security beneficiaries with support regarding the impact of earnings and work public benefits. BPAO programs are funded by grants administered by the Social Security Administration. To learn more, go to <http://www.ssa.gov/work/ServiceProviders/bpaofactsheet.html>.

states already have begun efforts in this area: a) Ohio has developed brochures and training for state eligibility staff as has the Commonwealth of Virginia; and b) Connecticut developed a eligibility workers' desk reference guide on work incentives. States considering special, ongoing training for eligibility workers should consider working with Regional and local SSA officials to craft a complementary training initiative for SSA direct service staff and develop a subsequent consumer and family outreach and education campaign (see below for a discussion of steps SSA officials might consider).

- ✓ ***State Medicaid Agency oversight of Section 1619(b) implementation should be improved.*** The bifurcation of eligibility status determination between FO SSA offices and state eligibility systems is one of the likely culprits in the problematic application of Section 1619(b). Thus, heightened awareness of the provision in both SSA field offices and state eligibility determination entities is key to insuring equitable application of the work incentive. As noted above, state Medicaid agencies should take steps to include in front line eligibility workers' ongoing training portions devoted to Section 1619(b) and any related work incentives programs operated by the state such as a Medicaid Buy-In program.
- ✓ ***The Section 1619(b) eligibility information that SSA transmits to the State Medicaid agencies can be incomplete.*** States in the forefront of examining Section 1619(b) application difficulties point to the SDX system as a key problem – especially in Section 209(b) states and SSI Criteria states where there are separate applications for Medicaid and SSI; and, in Section 209(b) states, separate standards. State officials could work with regional SSA officials to analyze data transmission and translation problems; Illinois, working Chicago Regional Office staff, made such changes in its data systems. See Appendix II for more detail about the Illinois data enhancement effort.

State officials also identified several problem areas specific to the Social Security Administration. Difficulties include:

- ✓ ***Local SSA Field Office staffs sometimes do not fully understand the Section 1619 work incentives.*** Considered against the backdrop of the total number of individuals and SSA benefits provisions that SSA field staff work with the application of Section 1619 work incentives rarely arise. Work groups in several states have initiated refresher training to all field office staff on Section 1619(a) and (b). In some regions, SSA has developed refresher training and issued special “regional memorandum” to field office (FO) managers providing: a) technical information on the work incentives and emphasizing the need for FO staff to review the information; and b) urging them to make contact with key local state Medicaid agency staff or other responsible for Medicaid eligibility and establish or improve mechanisms of communication around 1619(b).
- ✓ ***Notices from SSA that contain information about continuing Medicaid eligibility under the Section 1619 provisions can be confusing to the beneficiary; these***

***beneficiary transmittals also are sometimes incorrect.*** For SSI recipients and their families and other laypersons, navigating the mind-boggling rules and regulations governing public assistance programs is a virtually impossibility. In the past, SSA transmittals to SSI recipients have not been sensitive to: a) the very rudimentary level of recipient knowledge (i.e., they may not know they are receiving cash benefits through the SSI program; they may only know it as “welfare.”); b) levels of reading; and c) to language barriers. SSA also should consider convening an advocate’s task force to craft alternative notice language working in collaboration with the Office of Employment Supports Programs and state level employment supports program staff. Other possible courses of SSA action are: a) including in the transmittal the name and contact phone number of the local/regional Employment Services Representative or other work incentive specialist or the appropriate BPAO entity; b) referencing a website on SSI and Sections 1619(a) and (b); and c) establishing a national, toll-free phone number on work incentives. The latter point is especially important since it would address the three key problem areas plus ameliorate the effects of inequitable access to the Internet for low-income populations.

- ✓ ***SSA does not always input wage recording in a timely and consistent manner; this lag adversely affects Section 1619(b) determinations.*** As noted above, SSA FO and local office workers face daunting case loads and reams of complex regulations and related guidance. Workloads and task complexity often lead to quality issues with data input. Regional and state organized work groups suggest that steps should be taken to balance workloads and to refine quality assurance measures that insure timely processing of initial return to work reports for SSI recipients. Additionally, the Chicago Regional Office work group notes that, as part of the implementation of the Ticket to Work and Work Incentives Improvement Act of 1999, a number of enhancements to the systems processing of work reports are being considered. Such enhancements might include improvements for Section 1619(a) and (b).
  
- ✓ ***Wage information reported by concurrent beneficiaries is not always processed on both Social Security Disability Insurance (SSDI) and SSI records. One possible result is a failure of eligible concurrent beneficiaries to get Section 1619(b) Medicaid coverage.*** There are an array of issues related to coordination of cash benefits for individuals eligible for SSI as well as SSDI – especially since, in some instances, receipt of SSDI can make certain individuals ineligible for SSI because of unearned income limitations.

## **Conclusion.**

State and regional work incentive improvement initiatives require meaningful collaboration and participation among all stakeholders – consumers and families or representative organizations, employment supports provider agencies (including Employment Networks), state agencies, local and regional SSA staff, and work incentive

specialists (Benefits Planning Assistance and Outreach and Work Incentive Protection and Advocacy staff).

Much of the work related to enhancing Section 1619 application can easily and appropriately be grafted on to work being conducted on the development of Medicaid Buy-In programs using Medicaid Infrastructure Grant (MIG) funds. In fact, beginning with enhancement of Section 1619(b) in some states may offer a well defined and time tested structure for enhancing administrative infrastructure, conducting training, education, and outreach for future work incentive programs such as a Medicaid Buy-In.

**Appendix I: SSA Section 1619(b) Process  
and Interface with State-Based Agencies**

## Part I: Inside SSA Work Incentive Policies.

The Program Operations Manual System (POMS) is a primary source of information used by Social Security Administration employees to process claims for Social Security benefits. The public version of POMS is identical to the version used by Social Security employees except that it does not include internal data entry and sensitive content instructions. To view POMS, go to <http://policy.ssa.gov/poms.nsf/aboutpoms>. It is important to note that POMS is intended for SSA employees and, consequently, contains technical terms and instructions that may be unfamiliar. To view a non-technical discussion of POMS go to [www.ssa.gov/OP\\_Home/handbook/ssa.hbk.htm](http://www.ssa.gov/OP_Home/handbook/ssa.hbk.htm).

POMS covers all SSA programs, not just SSI and SSDI, and is organized into eight broad categories including:

- **RM** Records Maintenance
- **GN** General
- **RS** Retirement and Survivors Insurance
- **DI** Disability
- **SI** Supplemental Security Income
- **HI** Health Insurance
- **NL** Notices, Letters, and Paragraphs
- **VB** Special Veteran's Benefits

Information on Section 1619 is contained under the "SI" section on SSI recipients. POMS also includes all SSA forms with instructions for SSA staff on how these forms are to be completed. It is an enormous operational policy manual system that is constantly being revised and expanded.

Information on Section 1619 protected status provisions are contained in POMS SI 023, called "Post-eligibility Events." Once in this section, then click on POMS SI 02302, called "Continuing Benefits and Recipient Status Under Sections 1619(a) and 1619(b) for Individuals Who Work." POMS 02302.001 thru POMS SI 02302.320 contain SSA guidance on 1619 provision in the following format:

- SI 02302.001 Policy and Procedures Prior to July 1, 1987
- SI 02302.006 SSI Work Incentives – General
- SI 02302.010 1619 Policy Principles
- SI 02302.015 1619 Related Policies
- SI 02302.030 Section 1619 Process and Procedures
- SI 02302.040 The Medicaid Use Test for Section 1619(b) Eligibility
- SI 02302.045 The Threshold Test for Section 1619(b) Eligibility
- SI 02302.050 Individualized Threshold Calculation
- SI 02302.060 Quarterly Verification of Earnings
- SI 02302.200 Charted Threshold Amounts

For state specific questions on POMS and SSA work incentives, contact:

- *State or local BPAO staff.* For contact information on BPAO, go to <http://www.ssa.gov/work/ServiceProviders/bpaofactsheet.html>; and
- *Regional or Local SSA staff assigned work incentive responsibilities.* For contact information go to <http://www.ssa.gov/work/esr.html>.

## **Part II: Interface with State-Based Agencies.**

A primary means of data sharing between SSA and state agencies responsible for Medicaid eligibility is the State Data Exchange (SDX) files created by SSA for the purpose of furnishing to the states eligibility, payment, and demographic data relating to SSI claimants and recipients. These files include records where a change has occurred in any SDX-related data element, such as address information, SSI payment or eligibility amount, resource levels, and current earned and unearned income.

The SDX system is intended to allow states to gather up-to-date information for individuals whose SSI benefits are being changed or terminated. It contains basic beneficiary information, such as name, birth date, Social Security Number, and alien status, and many other data elements that can be useful to states. A select portion of those elements is described below.

The SDX system runs every day and, whenever a data element in a record changes, SSA sends updated files the following day to the state's designated central electronic mailbox. According to SSA, the data in the records sent to the state is never any older than the last income and resource redetermination. The date of that redetermination and the date for the next one are noted in the record. For each record, the state receives at least one SDX update per year to reflect cost of living adjustments. In the event that the state needs access to a particular individual's SDX record, the state can force an updated SDX file by doing an electronic query of the system. This query will prompt the system to send the updated record to the state's central electronic mailbox the next day.

SDX files are pulled down from a central electronic mailbox by the state unit responsible for receiving the information. Depending upon the data needs and organization of the state, SDX information may be received by a unit separate from the agency responsible for operating the Medicaid program. Additionally, states have reported difficulty with utilization of SDX information due to time lags and translation issues.

**Select SDX Data Elements.** The following list briefly describes key data elements in the SDX files sent to each State by SSA.

- **Current Records Indicator** - This shows which SDX record is the most current record on the SDX file. This is useful when multiple transactions on a particular day have caused the generation of more than one record on the file for a particular Social Security Number.

- **Last Transaction Date** - This is the date the last transaction was applied to the Supplemental Security Record (SSR). This element can be useful in determining when information, such as earned income, was updated.
- **Last Transaction Type** - This reflects the last reported event. In cases where more than one reportable event; e.g., address change, returned check, or redetermination diary update, has occurred simultaneously, only the last change entered will be shown.
- **Redetermination Date** - This reflects the completion date of the last SSI redetermination. This information is useful when checking income and resource information while conducting ex parte redeterminations for Medicaid.
- **Recipient Type Code** - This indicates the type of recipient or other individual involved in the record; e.g., aged individual, blind individual, disabled individual.
- **Payment Status Code** - This is made up of two elements, the first of which reflects the status of the SSI/State Supplement payment and the second of which reflects the reason for the status; e.g., the recipient is eligible for SSI and/or a State Supplement and payment is due or the case is in hold status pending final disposition.
- **Denial Code** - This shows the reason a claimant was initially denied for SSI/State Supplemental payments; e.g., cessation of the recipient's disability or the recipient's countable income exceeds Title XVI payment amount and his/her States payment standard.
- **Resource Codes** - These codes provide information on an individual's resources, such as whether or not the individual owns a home, automobile, life insurance policy, or has income from rental property.
- **Earned Income Period** - This is the month to which the earnings are to be charged. Earned income is shown on a monthly basis.
- **Earned Income Net Countable Amount** - This is the current month's amount of earned income, after all exclusions are applied, used in determining SSI eligibility. If the payment is based on factors in the current budget month, this amount is also used to compute the payment.
- **Unearned Income Frequency** - This indicates whether or not unearned income is being received and the frequency of receipt; e.g., continuous monthly payment or one-time payment.

- **Unearned Income Type** - This indicates the particular kind of unearned income the recipient is or was receiving; e.g., Social Security or workers compensation.
- **Unearned Income Net Countable Amount** - This reflects the current month's amount of unearned income after all exclusions are applied. It includes income deemed available to the individual. It is used in determining eligibility and, if the payment is based on factors in the current budget month, for computing the payment.
- **Name of Ineligible Spouse or Parent** - This reflects the name of the ineligible spouse or parent. Other data elements provide the Social Security Number and income and resource information for the ineligible spouse or parent. This can help make ex parte review simpler and potentially more useful.
- **Medicaid Eligibility Code** - This shows the Medicaid eligibility status; e.g., eligible for Medicaid (1634 States only) or State determination, not SSA's responsibility.
- **Medicaid Effective Date** - This reflects the most current period of eligibility or referral for Medicaid. For an interstate moves from a non-Federal Medicaid determination State to a Federal Medicaid determination State, this will be the date the beneficiary moved into the State. For an interstate move between two Federal Medicaid determination States, this date will not change unless eligibility factors cause a change in the Medicaid Eligibility Code. This data element is not filled if the record is going to a non-Federal Medicaid Determination State.
- **Medicaid Unpaid Medical Expense Indicator** - In 1634 States, which have elected to share the cost of asking the unpaid medical expense question, this reflects whether the claimant incurred any medical expenses during the three months before the application file date (This is not updated after the initial posting). This data is relevant in those states that allow beneficiaries to “spend-down” their income and/or resources to become Medicaid eligible.

## **Appendix II: *State Experiences and Strategies***

# Virginia Section 1619(b) Experience

Beginning in late 2000, officials with the Commonwealth of Virginia began considering strategies for enhancing employment opportunities for persons with disabilities. Using funds from the Real Choice Starter Grant Initiative<sup>12</sup>, Virginia state staff were able to finance an array of important, foundation-building work that will also support additional work incentive development in the future (i.e., development and implementation of a Medicaid Buy-In Program and other, related components of a comprehensive employment supports infrastructure).

To guide the Commonwealth's work, an interagency work incentives workgroup was established in January 2001. This workgroup is co-chaired by Kathryn Kotula, Director, Division of Policy and Research at the Department of Medical Assistance Services (DMAS), and Joe Ashley, Director, Division of Grants and Special Programs at the Department of Rehabilitative Services (DRS).<sup>13</sup> In addition to DMAS and DRS, the workgroup includes the following state agencies: Virginia Office for Protection and Advocacy, Blind and Vision Impaired (DBVI), Deaf and Hard of Hearing (DDHH), Social Services (DSS) and Mental Health/Mental Retardation and Substance Abuse Services (DMHMRSAS). Other participants include representatives of the Virginia Commonwealth University (VCU) Rehabilitation Research and Training Center on Workplace Supports, Virginia Board for People with Disabilities, Social Security Administration, and a number of private employment providers.

Initially, the Commonwealth's work group conducted an examination of current work incentives available to persons with disabilities. This included discussions on Sections 1619(a) and (b) of the Social Security Act. Recognizing that the state has joint responsibilities for Section 1619(b) with the Social Security Administration, Virginia officials decided to take a closer look at how the state was performing with proper enrollment of eligible SSI recipients in Section 1619(b) protected status. As noted below, Virginia found, like many other states, that there is a lack of awareness among recipients, state and federal agencies of the 1619(b) program.

**VA Self-Evaluation.** First, DMAS ran a special series of reports from its Medicaid Management Information System (MMIS) on individuals enrolled in Medicaid under the Section 1619(b) protected status category. Officials immediately met a significant roadblock; the state's Medicaid Management of Information Systems (MMIS) eligibility files did not have a program designation code for Medicaid recipients with 1619(b) status. Rather, individuals were enrolled in Medicaid in a "protected group" status which encompassed a number of eligibility categories. Staff officials were unable to tell whether Medicaid recipients in these program designation codes were 1619(b), or former SSI

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<sup>12</sup> In 2000, Secretary Tommy Thompson announced the availability of \$50,000 cash awards to states called "Real Choices Starter Grants." These funds were intended to serve as seed dollars for enhancement or expansion of services or supports aimed at community integration.

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recipients, TANF recipients, or dual-eligible Qualified Medicare Beneficiaries (QMB). As a result, the MMIS alone could not be used to identify the number of Medicaid recipients with 1619(b) status. State staff determined that data from the Social Security Administration was needed to match to the Medicaid eligibility file and to determine who was eligible under Section 1619(b).<sup>14</sup>

Subsequently, DMAS obtained a listing of all the 1619(b) eligible recipients in Virginia from the Social Security Administration (SSA). The SSA list was then matched to the DMAS MMIS files to determine recipients with both 1619(b) status and Medicaid eligibility. As of September 2001, SSA reported 1,692 Virginians as 1619(b) eligible whereas Virginia listed 986 (58.3%) of these people on Medicaid. The MMIS files also showed that of the remaining SSA 1619(b) designates, 268 (15.8%) had never been on Medicaid and 438 (25.9%) were no longer on Medicaid.

<b>SSA Reported 1619(b) Status as of 9/01</b>	<b>Medicaid Status</b>
268 (15.8%) of the 1619(b) recipients	Never on Medicaid in Virginia
986 (58.3%) of the 1619(b) recipients	Were on Medicaid as of Sept. 2001
438 (25.9%) of the 1619(b) recipients	Were on Medicaid but cancelled as of Sept. 2001. No longer on Medicaid.
<b>Total 1,692</b>	

The analysis of the SSA and Medicaid data further indicated that of the 986 recipients with 1619(b) status who were also on Medicaid, many were not on Medicaid as a 1619(b) recipient but were on Medicaid in another covered eligibility group. In fact, of the 986 recipients on Medicaid, only 330 (33%) received Medicaid through the 1619(b) program. It was not clear if recipients were not enrolled in the 1619(b) Medicaid protected status because they were not eligible for the protected status or if local eligibility workers lacked awareness of the 1619(b) program. To clarify this, DMAS staff began meeting with state and regional Department of Social Services staff to further review the enrollment data and to determine strategies to increase awareness of the 1619(b) program.<sup>15</sup>

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<sup>14</sup> DMAS is planning to create a unique program designation code for Medicaid recipients with the 1619(b) protected status.

<sup>15</sup> DMAS is the Single State Medicaid Agency (SSMA) responsible for administration of the state's Medicaid program. DSS is the state entity responsible for all state public benefit eligibility determinations. Since the Section 1619(b) provision involves claims representatives in SSA and state eligibility workers, it was imperative that DMAS gain the participation and support of DSS.

**1619(b) Survey.** Since such a significant portion of Virginia’s Section 1619(b) eligible population, according to SSA records, were not enrolled in the Medicaid program’s 1619(b) protected status, DMAS staff designed a plan to survey these individuals to learn more about the individuals. The survey had these goals: a) gather information that would assist with properly enrolling them in Section 1619(b) protected status; c) gather information about their knowledge of the SSA Section 1619(b) work incentive provision; and d) begin laying the ground work for a Medicaid Buy-In program in the Commonwealth by learning how many individuals in 1619(b) protected status were earning close to or at the state’s threshold amount.

The last goal is important because once a 1619(b) eligible SSI recipient earns more than the threshold amount, (\$21,319 in Virginia); they are no longer eligible for Medicaid in the Section 1619(b) protected status group. However, if Virginia had a Medicaid Buy-In program, these recipients could “buy-into” Medicaid for their health insurance at earned income levels above the state threshold amount. DMAS also developed and conducted the Section 1619(b) to begin estimating the number of individuals potentially eligible for a Medicaid Buy-In.

DMAS contacted the Virginia Commonwealth University (VCU) Survey Evaluation and Research Lab (SERL) in the fall of 2001 to conduct a survey of Virginia’s 1619(b) population. Stakeholders at DMAS, consumers, other state agencies, the SERL, and technical assistance staff all contributed to the survey development. The survey was sent to all 1,692 individuals that were designated by the Social Security Administration as 1619(b) recipients. Bad addresses reduced the sample size to 1,430 people. A total of 730 surveys were completed to yield a response rate of 51%.

Some of the major findings of the survey were:

- *The average age of respondents was 38 years*
- *91% of respondents had never heard of 1619(b)*
- *84% of all respondents were employed for pay – of those employed for pay, almost half worked for 31-40 hours per week.*
- *51% of respondents had been continuously employed for two or more years*
- *84% had health insurance - 18% through their employer*
- *35% of those currently on Medicaid reported limiting their work hours in order to retain their benefits*

**1619(b) Pilots.** Based on the work conducted above, DMAS concluded that there was a significant statewide problem with appropriate enrollment of SSI recipients who were eligible for continued Medicaid coverage under Section 1619(b) of the Social Security Act. This appeared to result from confusion or lack of knowledge about 1619(b) eligibility and Medicaid enrollment at all levels of the service system including consumers, providers and

the state and local agencies and organizations that serve them. As a result of discussions with technical experts, DMAS agreed to establish a pilot project to study and address the issues.

Given the multitude of stakeholders (consumers, state and federal agencies, public, private and non-profit entities), DMAS officials felt the smaller scale of a pilot offered a more manageable approach to gaining cooperation and direct participation by these individuals and organizations, especially since the basic problem(s) seemed to be insufficient training and education, communication, and a regular framework for outreach and ongoing education at all levels of the system.

A pilot in Northern Virginia was determined to be a logical geographic as well as demographic option due, in part, to the area's higher average income level. The rationale being that working SSI recipients in Northern Virginia will more readily move into Section 1619(b). DMAS staff met with staff from the following organizations to discuss the possibility of developing pilot programs to assist disabled persons in gaining 1619(b) status or otherwise expanding their work/wage opportunities: a) ServiceSource, a community rehabilitation program and labor source for business, based in Northern Virginia; and 2) Psychiatric Rehabilitation Services, Inc., a mental health services provider in Northern Virginia.

Staff from both of these organizations outlined the problems their consumers were having accessing 1619(b) and Medicaid. As a result of the meeting with ServiceSource, DMAS was invited to give a presentation to the OneSource Capacity Building Team, a project of the Northern Virginia Workforce Investment Board (WIB). The WIB is part of the state's Workforce Investment Act One-Stop System. Using the WIB offered DMAS staff access to an already established forum of key stakeholders including: local DSS personnel, advocacy representatives, local employment supports providers, county community services agencies, and local/field SSA staff. In essence, DMAS identified a ready-made work group for the Section 1619(b) Pilot Project.

In April 2002, the WIB agreed to establish a subcommittee to participate in the development of a pilot program that would initially address issues relating to education/communication between SSA and DSS offices as well as consumers regarding Section 1619(b) of the Social Security Act. This pilot was to serve as a working model that could be replicated statewide and one that would lay the groundwork for future Medicaid Buy-In testing as well as further expand the public-private partnership that is important to the success of a Medicaid Buy-in program. The study of 1619(b) in VA identified the following key issues:

- *A lack of understanding of the Section 1619(b) provision within local and regional Departments of Social Services (DSS); and*
- *A lack of understanding of 1619(b) by the local and regional SSA offices, lack of consumer awareness of the 1619(b) provision and/or lack of understanding of the provision; and need for better coordination of the exchange of information between SSA and VA DSS offices.*

The aims of the pilot are to: 1) identify tools and mechanisms to provide ongoing training and education to staff attached to local DSS offices and other local public entities such as Community Services Board (CSB) case managers, etc;<sup>16</sup> 2) develop tools to educate consumers, their families, and front line providers about 1619(b); 3) analyze the current process of identification of eligible 1619(b) individuals by SSA, referral and notification of DSS and subsequent enrollment in the appropriate program designation code as a 1619(b) Medicaid recipient. Such analysis would then be used to target problem areas and make corrections.

Once a preliminary set of educational tools, educational forums, and provisional remedies to 1619(b) operational issues were developed, their use could be piloted in the real world environment with Northern Virginia consumers, their families, and case managers or rehabilitation specialists, local DSS staff, DVR staff, etc

The work plan for the Virginia Section 1619(b) Pilot Project is:

1. **Action Item 1:** Develop training tools for current and new local DSS eligibility workers in the pilot area. Training will include an introduction to work incentives, an explanation of what 1619(b) is, how one obtains 1619(b) status, information on service providers, the role of Benefits Planning Assistance and Outreach and other employment supports infrastructures as resources. An online tutorial on 1619(b) for new eligibility workers was developed.
2. **Action Item 2:** Develop training tools and train local SSA claims representatives in the pilot area. Training module was developed in June 2002. SSA has invited DMAS and DSS to present at their September 2002 meetings for the Ticket to Work and Self-Sufficiency Program rollout in Virginia.
3. **Action Item 3:** Develop training tools and train disability services providers working with SSI recipients. Develop a fact sheet for providers on the various agencies roles in 1619(b) eligibility. Service providers will include: Community Service Boards case managers, Employment Service Organization staff and case managers, Department of Rehabilitative Services staff, School Transition providers, Protection and Advocacy staff, One Stop staff and other stakeholders.
4. **Action Item 4:** Develop training tools and train/educate consumers, family members, caregivers on 1619(b), the role of SSA, the role of DSS, and the role of other agencies involved such as BPAO, Protection and Advocacy. Develop consumer fact sheets, brochures, posters that are easy to understand.

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<sup>16</sup> The forty CSBs in Virginia are the county, town, or regionally based entities responsible for coordinating local services delivery. They are independent of the state agencies (i.e., DMAS, DMHMRSAS, DRS, etc.) State and federal dollars for services flow to the CSB's and the CSB's, in turn, use those dollars to organize, purchase, and deliver services.

**Other Section 1619(b) Efforts.** The Interagency Work Incentives Workgroup (i.e., the state-level work group that originally identified the Section 1619(b) issues) also developed two referral letters for use by human service advocates on behalf of SSI recipients who are potentially eligible for 1619(b). The letters were designed to ensure that an individual with disabilities receiving SSI and Medicaid who returns to work does not encounter difficulties in retaining Medicaid coverage.

The letters were developed with input from all the agencies on the workgroup. Because Virginia is a 209(b) state, Virginia has a two-step process for continuing Medicaid coverage under Section 1619(b). First, the SSA claims representative determines if the individual on SSI is eligible for 1619(b) status. Second, the DSS eligibility worker determines if the 1619(b) individual is eligible for continued Medicaid coverage. Therefore, there are two referral letters.

The purpose of the referral letter to SSA is to ensure that the SSA claims representative has all the information needed to initiate the process of determining eligibility for 1619(b), while the referral letter to DSS is to notify the DSS eligibility worker that an SSI recipient may lose his SSI cash payment because of earnings. Thus, he or she may be classified as 1619(b) and may be eligible for continued Medicaid coverage.

DMAS staff designed the letters so that the letterhead of the advocacy organization may be added. The advocacy professional as well as individual on whose behalf the letter is being sent both sign the document. The letter also gives permission for SSA or DSS to share information with the advocate's organization. These referral letters have been extensively shared with individuals and organizations throughout the Commonwealth. For electronic copies of the copy of the Section 1619(b) Referral Letter to SSA, the Section 1619(b) Referral Letter to VA DSS Eligibility Workers or the Virginia Section 1619(b) survey, please contact Center for Workers with Disabilities staff at (202) 682-0100.

This section was contributed by Kathryn Kotula, DMAS Program and Planning Chief. For more information on the Commonwealth's 1619(b) efforts and other work incentive initiatives including Medicaid Buy-In development and Medicaid Infrastructure Grant work, contact Ms. Kotula at [kkotula@dmass.state.va.us](mailto:kkotula@dmass.state.va.us).

# Illinois Section 1619(b) Experience

In 1999, various advocacy organizations contacted the SSA Chicago Regional Office to establish a working group on how Section 1619 was working in the region. SSA's Work Incentive Advisory Group asked staff from the federal Centers for Medicare and Medicaid Services (CMS) to partner with them in a regional Section 1619 initiative. SSA and CMS met in late 1999 with the Illinois Department of Public Aid (IDPA) as well as state and advocacy representatives from all six states in the SSA Chicago Region to analyze the issues.

In preparation for the work group, IDPA examined the state's Section 1619(b) operating environment. As of March 2002, SSA records indicated that approximately 2,777 SSI recipients were Section 1619(b) eligible in Illinois. The state, however, was unable to match this data with state eligibility files due to a lack of a separate Section 1619(b) identifying codes in the state Management of Medicaid Information System (MMIS). Additional complicating factors in Illinois include being a Section 209(b) state (i.e., separate eligibility criteria and a manual application process for Medicaid) and that eligibility functions for Medicaid are housed in the Illinois Department of Human Services while IDPA is the Single State Medicaid Agency (SSMA).

SDX transmission and translation are especially problematic in Section 209(b) states since eligibility standards for Medicaid are not the same as for SSI. The bifurcation of Medicaid eligibility functions from day-to-day Medicaid program and policy operations also presented difficulties for Section 1619(b) application. Because Section 1619(b) represented such a small number of beneficiaries, Illinois also was using a manual system to establish Section 1619(b) eligibility and caseworker staff often overlooked these activities.

**Illinois Solutions.** Illinois has implemented several steps to increase the number of Section 1619(b) participants receiving Medicaid. The changes were designed to

- Streamline the process for identifying persons in Section 1619(b) status;
- Enhance the efficiency of eligibility operations; and
- Improve customer service by ensuring that persons in Section 1619 status receive Medicaid benefits without a spend-down.

To date, Illinois is the first state to make changes to its data systems to better track Section 1619(b) eligible individuals. In June 2001, Illinois made changes to the SDX Claims Information System (i.e., the state information system that interfaces with SDX) in order to identify Section 1619 eligibility. Such information is available to eligibility workers. The state also reissued and clarified Section 1619(b) policies. Second, in order to utilize 1619(b) data, Illinois made changes to update the Illinois SDX database. These changes

also were made to the SDX on-line screens and sent to the Client Information System (CIS) for additional automated processing.

In Illinois, the “Medicaid Eligibility Code” was replaced with the “Medicaid Test Indicator” (position 1703 on the SDX file). The new field was titled “1619 Eligibility Code”. Each month during the regular SDX update process, data is posted from position 1703 to the Illinois SDX interface database and the SDX interface on-line screens to indicate Section 1619 eligibility. When a code “B” is received in position 1703, a “Y” is posted to indicate Section 1619 eligibility. For all other codes received on the SDX file in position 1703, “N” is posted to indicate the person is not 1619 eligible.

In order to capture Section 1619(a) and Section 1619(b) data, system changes were made to add the “Multicategory Indicator” code, position 1529 from SDX to the Illinois SDX interface system. When this position field contains codes D, E, F, or G, then a Y, indicating “yes,” is posted to the SDX online screens. All cases on the SDX interface database using the most current change to position 1703 from monthly SDX files within the past six months were centrally converted, August 21, 2002.

CIS was modified to accept the Section 1619 code from the SDX treasury files. (The file position is “1703” and the file name is “Medicaid Test Indicator”) A centrally generated code “QSII” (Qualified Severely Impaired Individual) is entered in CIS to identify Section 1619 eligibility. Entry of this code prevents spend-down authorization on the case. This code is centrally entered or deleted based on Section 1619 code on the SDX treasury files, and is readily available. When an action is taken to add or delete the code 380 QSII, a message to the eligibility worker is created on the CIS file. The eligibility worker is also notified of this action via a batch exception listing which is created on a daily basis. Appropriate client notices are generated providing notification of this action.

For more information on Illinois information systems modifications, please contact Patricia Crawford at (217) 557-7158. To learn more about Illinois other work incentive projects, including its Medicaid Buy-In program, contact Pat Curtis at [aidd0061@mail.idpa.state.il.us](mailto:aidd0061@mail.idpa.state.il.us).

**Appendix III:** *Section 1619(b) Operational  
Scan for States and Local SSA Officials*

## Getting Started.

States and local SSA officials working to enhance implementation of Section 1619(b) have several key areas to consider; based on those issue areas and the benefits structure of the state (i.e., Section 209(b), Section 1634, or SSI Criteria states), several common points for consideration present themselves. The following checklist offers state staff and local SSA officials a general framework for approaching 1619(b) operational challenges.

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### Section 1619(b) Operational Scan

1. *Referencing SSA state-by-state Section 1619(b) participant figures, how many individuals has SSA identified as eligible for Section 1619(b)?*
  
2. *Who are the state staff in the state Medicaid agency responsible for state Medicaid enrollment information?*
  
3. *Identify the appropriate protocol for requesting a Medicaid query of individuals enrolled under Section 1619(b) protected status. According to the state's Medicaid information system, how many individuals are eligible for Medicaid under the Section 1619(b) provision? Regardless of the state's administrative structure, if there is a notable difference between SSA 1619(b) eligible individuals and the state generated number of individuals in Section 1619(b) protected status, state staff should consider the following steps. A "notable difference" might be defined as a discrepancy greater than the sum of normal lag times and margins of enrollment error.*
  
4. *What administrative structure does the state utilize (see pages 6-8 for a list)?*
  - a. *Section 209(b) ; if the state is 209(b), proceed to item 5.*
  - b. *Section 1634 ; if the state is Section 1634, proceed to item 8.*
  - c. *SSI Criteria ; if the state is SSI Criteria, proceed to item 7.*
  
5. *If the state is a 209(b) state, what are the state's Medicaid eligibility standards? How do they differ from the SSI eligibility criteria?*

6. *What is the potential number of individuals found to be Section 1619(b) eligible by SSA who would not be eligible for Medicaid due to more restrictive standards for a given Section 209(b) state?*
  
7. *For Section 209(b) and SSI Criteria states, it is critical that staff responsible for work incentives and employment supports development understand the administrative process for Medicaid application and subsequent eligibility determination. Answer the following appropriate question:*
  - a. *For Section 209(b) states, what state agency performs Medicaid eligibility determinations including Medicaid eligibility for individuals eligible for Section 1619(b) protected status?*
  
  - b. *For SSI Criteria states with a separate Medicaid application process, what state agency is responsible for receipt and processing of Medicaid applications?*
  
  - c. *For 6(a) and 6(b):*
    - i. *Is this agency also the recipient of the SDX transfer information? If not, what state entity is the recipient?*
  
    - ii. *On what day of the month is the updated information from SSA available and uploaded into the state system?*
  
    - iii. *Who is the SDX point of contact in this agency?*
  
8. *Who are the regional/local SSA staff responsible for work incentives? Possibilities include Employment Supports Representatives (ESR), Work Incentive Specialists, and SSI Team Leaders.*

9. *What outreach, education, and training efforts have been undertaken for consumers, families, community rehabilitation providers, and disability services professionals have been made in regard to Sections 1619(a) and 1619(b)?*

## **Section 1619(b) Work Group.**

If responsible state staff determine there is a Section 1619(b) problem, and the preceding information has been collected, officials responsible for work incentive programs might consider convening a Section 1619(b) work group. Such a body should include: a) Regional and local SSA officials responsible for work incentives programs and in a position to commit to participatory responsibilities; b) state Medicaid agency personnel with knowledge of work incentives and in a position to commit to participatory responsibilities; c) state advocacy organization representatives including SSI recipients; d) representatives from the state eligibility determination entity if different from the Medicaid agency; e) representatives from the employment supports provider organization; and f) state Vocational Rehabilitation agency staff.

The key charges of the Section 1619(b) work group would be to:

- *Evaluate the scope of the Section 1619(b) problem;*
  
- *Identify problem areas. As noted above, the two issue areas defined by work groups in Illinois, Ohio, and Virginia were a lack information on Section 1619(b) and information systems issues between the Social Security SDX transfer and the state Medicaid information system; however, others may present themselves; and*
  
- *Map out a work plan specific to the state aimed at ameliorating the Section 1619(b) application issues.*

# Resources

Virginia Commonwealth University Benefits Assistance Resource Center. *Briefing Paper: Getting the Right Answers to Work Incentive Questions: Navigating SSA's Web Site*. Vol. 4. March, 2002. [www.vcu-barc.org](http://www.vcu-barc.org)

Virginia Commonwealth University Benefits Assistance Resource Center. *Briefing Paper: Understanding 1619(b)*. Vol. 6. June, 2002. [www.vcu-barc.org](http://www.vcu-barc.org)

Social Security Administration. *2002 Red Book on Employment Support*. <http://www.ssa.gov/work/ResourcesToolkit/resourcestoolkit.html>