
HEALTH COVERAGE FOR WORKERS WITH DISABILITIES

MA-2180 HEALTH COVERAGE FOR WORKERS WITH DISABILITIES

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I. Introduction to Health Coverage for Workers with Disabilities

The federal Ticket to Work and Work Incentives Improvement Act (TWWIIA) of 1999 offers states the option to protect Medicaid coverage for workers with disabilities. People with disabilities are often discouraged from working for fear that their earnings would make them ineligible for Medicaid. TWWIIA offers state Medicaid programs options to expand Medicaid eligibility criteria for workers with disabilities. Additionally, it provides support for the states in developing programs to reduce barriers to and create work incentives for persons with disabilities. This support comes in the form of Medicaid Infrastructure Grants.

II. Background

North Carolina is authorized to provide Medicaid for disabled/blind workers under the Health Coverage for Workers with Disabilities Act (G.S. 108A-54.1). Health Coverage for Workers with Disabilities (HCWD) provides an incentive for persons with disabilities to go to work or to increase their hours of work while protecting their Medicaid eligibility.

HCWD covers blind or disabled workers age 16 through 64 with incomes equal to or less than 150% of the federal poverty level (FPL). The resource limit is the minimum community spouse resource allowance (See [MA-2231, Community Spouse Resource Protection](#)). HCWD recipients are entitled to full Medicaid coverage under MAB or MAD. Recipients age 16 through 20 are also entitled to additional services provided under EPSDT (See [MA-2905, Medicaid Covered Services, XXXVIII](#)). HCWD recipients can not be receiving under any CAP program. HCWD consists of two groups, the Basic Coverage Group and the Medically Improved Coverage Group.

III. COVERAGE GROUPS

A. Basic Coverage Group

The Basic Coverage Group consists of individuals aged 16 through 64 who, except for engaging in substantial gainful activity, would meet the Social Security/SSI disability criteria, or who do not engage in substantial gainful activity but are over income and/or reserve for regular MAD. See [MA-2525, Disability](#).

(III.)

B. Medically Improved Coverage Group

1. The Medically Improved Group consists of individuals age 16 through 64 who previously received HCWD in the Basic Coverage Group but lost eligibility in this group because their medical conditions improved to the point where they no longer meet the Social Security/SSI definition of disability.
2. Although no longer considered disabled by Social Security due to medical improvement, the individual must continue to have a severe medically determinable impairment. The individual continues to have a severe medically determinable impairment if he:
 - a. Still has the underlying condition or conditions which made him disabled;
 - b. Is under treatment for the condition or conditions; and
 - c. Has a strong likelihood of again meeting the Social Security definition of disabled if he were to cease treatment.
3. If the answer to any of the questions in 2. is no, refer to IV.C. below.
4. Eligibility in the Basic Group for any period of time qualifies an individual for eligibility in the Medically Improved Group if he meets all other eligibility requirements.
5. Eligibility in the Medically Improved Group can begin no earlier than the month after coverage ends in the Basic Group.

IV. Eligibility Requirements

A. Generally

To be eligible to receive HCWD, an individual must:

1. Be at least 16 years of age, but less than 65 years of age;

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(IV.A.)

2. Meet the Social Security Administration definition of disability except for earnings or be eligible under the Medically Improved Group;
3. Be employed;
4. Have countable resources equal to or less than the minimum community spouse resource allowance ([See MA-2231, Community Spouse Resource Protection II.B](#)), whether budgeted as an HCWD individual or HCWD couple;
5. Meet the income requirements for his coverage group (See IV.D. below);
6. Meet all the other eligibility requirements applicable to Adult Medicaid coverage groups. (See [MA-2000, Non-SSI Eligibility Regulations](#).)

B. Disability

To be eligible in the Basic Coverage Group, the individual must meet the Social Security/SSI definition of disability other than the requirement that the individual not be engaging in a substantial gainful activity. Disability can be proven by (1 or 2 or 3):

1. Receipt of Social Security Disability or SSI; or
2. A determination by Disability Determination Services (DDS);
 - a. If an HCWD applicant is not receiving RSDI/SSI and has not been determined disabled by DDS or a Hearing Officer, he must be referred to DDS for a determination to ensure that he meets the definition of disability. Use the DDS referral form, [DMA-4037](#) See [MA-2525, Disability](#), for instructions.
 - (1) Refer the applicant to the local SSA office to apply for RSDI and suggest that the applicant also apply for SSI.
 - (2) If the applicant is found to be disabled by DDS but is later denied SSI/RSDI, the DDS disability approval remains valid for HCWD eligibility purposes. Do not terminate an HCWD recipient for having been denied SSI/RSDI.
 - (3) If prior to receiving a disability determination from DDS the county determines that the applicant is ineligible for MAD or HCWD, immediately contact DDS and tell them of this determination and that a disability determination is no longer necessary. Denying the application which updates the DDS data screen is not sufficient. See [MA-2525 Disability, IV.B.10](#) for DDS contact numbers.

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(IV.B.2.)

b. If an HCWD applicant is not receiving RSDI/SSI but was previously determined to be disabled by SSA, DDS or a Hearing Officer he still may be considered disabled for HCWD purposes. The IMC must consider the reason for the termination as well as the length of time between termination of RSDI or SSI benefits, the DDS decision, or the Hearing Officer's decision and application for HCWD.

- (1) If the termination of RSDI or SSI benefits, or the DDS decision or the Hearing Officer's decision occurred 12 months or less prior to the date of application and the termination was for non-medical reasons, a DDS determination of disability is not necessary.

Example: The month of application for HCWD is November 2008. The last month of SSI was November 2007. This is 12 months prior to the month of application and therefore the requirement is met (November 1, 2007 – October 31, 2008).

- (2) If the termination of RSDI or SSI benefits occurred more than 12 months prior to the date of application or the termination was for medical reasons, a DDS determination of disability is required.

or

3. A determination of blindness by DSB

An HCWD applicant who alleges blindness and does not receive RSDI due to blindness must have his blindness determined by DSB unless a previous determination of blindness has been made. Follow procedures in [MA-2531, Blindness M-AB](#) for submitting materials to DSB if a determination is needed.

C. Medically Improved Cases

1. MAD Cases

a. If DDS determines during a Continuing Disability Review that an HCWD recipient in the Basic Group is no longer disabled, if the individual is still working assume that the individual is Medically Improved until the next redetermination.

b. At redetermination do not refer a recipient in the Medically Improved Group to DDS for a determination of whether he still meets Medically Improved Criteria. To determine if the individual continues to meet the Medically Improved eligibility criteria, contact the recipient's treating physician **using the [DMA-5151, Health Coverage for Workers with Disabilities \(HCWD\) Medical Release Authorization](#), and a [DMA-5028, Authorization to Disclose Information](#), asking the following three questions:**

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(IV.C.1.b.)

- (1) Does the recipient still have the underlying condition or conditions which made him disabled?
- (2) Is the recipient still under treatment for the condition or conditions which made him disabled?
- (3) Is there a strong likelihood that the recipient would again be disabled if he were to cease treatment?

If the answers to all three questions are yes, the recipient continues to meet the Medically Improved criteria. Be sure to document the treating physician's responses in the case record.

If the answer to one or more of the questions is no, the individual no longer meets the Medically Improved criteria. Evaluate for eligibility in all other programs including the HCWD Basic Coverage Group. If the individual would only be eligible as MAD/MAB/HCWD, a referral to DDS is required (remember to use the [DDS referral form, DMA-4037](#), for HCWD referrals).

2. MAB Cases

When the county learns that the individual is no longer considered blind, refer to instructions in C.1. above.

D. Employment

1. Basic Coverage Group

Employment means being engaged in a substantial and reasonable work effort which is defined as:

- a. Working in a competitive, inclusive work setting for a wage or salary, or being self-employed,

- (1) Competitive means that the job was held open to the general public.

For example, a handyman who is hired by a neighbor to do a chore is not engaged in competitive employment. He may be self-employed if he meets that criteria.

- (2) Inclusive means that the job is not in a sheltered workshop setting. Generally, those who work as staff in a sheltered workshop are not working in a "sheltered workshop setting." Evaluate the individual's responsibilities to determine if his position is "sheltered."

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(IV.D.1.a.)

- (3) Self-Employed has the same meaning as it is defined in MA-2250, Income, VII.D.

and

- b. Being able to provide proof of payment of payroll taxes through FICA, or the equivalent.

For example, self-employed individuals who have not filed tax forms may submit alternative proof such as a business ledger, or similar documentation that shows that the business is operational.

2. Medically Improved Coverage Group

- a. Employment

For an individual to be considered “employed” for purposes of Medically Improved Group eligibility he must meet the requirements of (1) or (2):

- (1) Have gross earnings at least equivalent to those of an individual who is working 40 hours per month at minimum wage; or
- (2) Be actively engaged in a self-employment activity, and have earnings after operational expenses at least equivalent to those of an individual who is working 40 hours per month at minimum wage.

- b. Voluntary Loss of Employment

If a recipient in the Medically Improved Group voluntarily stops his employment evaluate for eligibility in all other programs. If MAD is the only program in which he may be eligible, a disability determination by DDS is necessary (for involuntary loss of employment see IV.K. below).

E. Income

To be eligible for HCWD, the a/r must have countable income, after applicable deductions and disregards, less than or equal to 150% of the federal poverty level (See [MA-2250, Income, IX.F. & G](#)).

Note: These individuals are likely to have work expense exclusions for the blind and impairment-related work expense exclusions for the disabled.

F. Financial Responsibility

Apply financial responsibility and budgeting rules as outlined in [MA-2260, Financial Eligibility Regulations – PLA](#).

G. Resources

Countable resources must not exceed the minimum community spouse resource allowance (See [MA-2231, Community Spouse Resource Protection II.B](#)), whether budgeted as an HCWD individual or HCWD couple.

H. Retroactive Coverage

1. The HCWD applicant must meet all eligibility requirements, including the employment requirement, for retroactive eligibility.

Example: John Blutarsky requests HCWD retroactive coverage for the months of June, July and August. He worked during the months of June and August, but not in July. If Mr. Blutarsky meets all other eligibility criteria, he can be authorized for June and August, but not for July. Evaluate for HCWD Continued Eligibility for the month of July (see IV.K. below). If Blutarsky is not eligible for HCWD Continued Eligibility, evaluate for all other programs. Accept the HCWD disability determination for MAD purposes.

2. Retroactive coverage under HCWD can begin no earlier than November 1, 2008.
3. Individuals who are eligible in the Basic Group only during a month in the retroactive period may be eligible in the Medically Improved group for subsequent months.

I. Program Classification

1. The classification code in EIS will be N, G, B or Q. Individuals will be MAB/MAD-N, MAB/MAD-G, MAB/MAD-B or MAB/MAD-Q.

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(IV.I.)

2. As for any Medicaid case, classification for HCWD is determined by income and resources. The HCWD individual must be evaluated for dual eligibility (MQB-Q/MQB-B) if he is enrolled in Medicare.

Medicare Recipient

If Income Is:		If Resources Are:		Classification Is:
Greater than 120% FPL			Then	N or G
		Greater than \$6,680/\$10,020	Then	N or G
Equal to or less than 100% of FPL		Equal to or less than \$6,680/\$10,020	Then	Q
Greater than 100% and equal to or less than 120% FPL	And	Equal to or less than \$6,680/\$10,020	Then	B

J. Sub-Program Codes

1. For the Basic Coverage Group, enter B1.
2. For the Medically Improved Coverage Group, enter M5.

K. Federal Poverty Level Indicator

Enter the appropriate federal poverty level in the Federal Poverty Level Indicator. For poverty level indicator codes, see the EIS Manual.

Note: The sub program codes and the FPL indicator are both located in the field labeled “sub-program.” See EIS Manual Section 2600.

L. Certification.

1. Certification is for a six month period.
2. HCWD applicants currently in other programs:
 - a. HCWD applicant with more than six months left on existing certification period.

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(IV.L.2.a.)

(1) HCWD Applicant in a Full Coverage Program

Where an HCWD applicant currently has full coverage and has more than six months left on an existing certification period, send a manual timely notice and shorten the certification period. Reenter the certification begin date as the first day of the month of HCWD eligibility. The certification through date will be six months from the certification begin date.

(2) HCWD Applicant Receiving MQB Only

Where an HCWD applicant currently has MQB coverage only and has more than six months left on an existing certification period, send a manual adequate notice and shorten the certification period. Reenter the certification begin date as the first day of the month of HCWD eligibility. The certification through date will be six months from the certification begin date.

b. HCWD applicant with less than six months left on existing certification period.

Where an HCWD applicant has less than six months left on an existing certification period use the existing certification period for HCWD eligibility.

M. 12 Month Continued Eligibility After Involuntary Loss of Employment

An HCWD recipient, who becomes unemployed for reasons beyond his control, including health reasons, continues to have eligibility in HCWD as if still employed for up to 12 months beginning the month following involuntary unemployment provided he:

1. Has received HCWD for at least one ongoing or retroactive month, and
2. Maintains a connection with the workforce,

Maintaining a connection to the workforce means:

- a. Registered with the Employment Security Commission for employment services, or

(IV.M.2.)

- b. Registered with a temporary employment agency, or
- c. His employer considers the individual on short-term disability even if he is not receiving a benefit, or
- d. On sick leave.

and

- 3. Continues to meet all other eligibility criteria for HCWD.

N. Break in Eligibility

A recipient who has lost eligibility in either the Basic or Medically Improved Coverage Group may reapply in the Medically Improved Group.

V. Redeterminations

A. Complete a redetermination every six months following procedures in [MA-2320, Redeterminations](#).

B. The eligibility requirements in IV. above continue to apply.

VI. Terminations/Deletions

Follow procedures in [MA-2352, Terminations/Deletions](#) when an individual is ineligible for HCWD.