



## Medicaid for Employees with Disabilities

On July 1, 2002, Indiana implemented MEDWorks – Medicaid for Employees with Disabilities – a Medicaid health coverage option which allows individuals with disabilities who are working to potentially be eligible for Medicaid. This program is designed to make it easier for adults with disabilities to work and keep the health coverage they need. The covered services are the same as regular Medicaid. MEDWorks members can also be eligible for home and community-based services, if approved under one of Indiana’s waivers.



To qualify for MEDWorks, individuals must:

- Be between the ages of 16 and 64 years old,
- Be determined disabled<sup>i</sup>,
- Be working<sup>ii</sup>,
- Earn at least the federal minimum wage multiplied by 40, each month, and
- Meet income and resource guidelines.



The income limit for MEDWorks is 350% of the Federal Poverty Level (FPL)<sup>iii</sup>. There are certain types of income that are not included when determining an individual’s eligibility for MEDWorks, examples of these include:

- Tax refunds,
- Grants or scholarships allowed by federal law, and
- Income of a spouse, child, sibling or parent

The following steps can be used to calculate the MEDWorks member’s total countable income:

1. Calculate the member’s total countable **unearned** income<sup>iv</sup>:, such as retirement, pension, or Social Security income:
  - A. Determine the MEDWorks member’s total non-exempt unearned income and from it subtract the general income disregard<sup>v</sup> of \$20. The remaining amount is the member’s countable unearned income. The countable unearned income cannot be a negative amount.
2. Calculate the member’s total countable **earned** income<sup>vi</sup>, such as earnings from a job or from self-employment:
  - A. Determine the member’s total non-exempt earned income and from it subtract:
    - Any remaining amount of the general income disregard from step 1,
    - The earned income disregard<sup>vii</sup> of \$65,
    - The amount of any impairment-related work expenses (IRWE)<sup>viii</sup>, and
    - One -half of the remaining income

The remaining amount is the member's countable earned income. The countable earned income cannot be a negative amount.

3. Add the countable unearned and earned income together to arrive at the MEDWorks member's total countable income. If the total countable income does not exceed the MEDWorks income standard, the member is financially eligible.

**Example:**

A member receives a monthly Social Security Disability payment of \$1,480, before taxes and deductions. Additionally, the member receives gross earnings, from employment, of \$1,600 per month. The member incurs no IRWEs.

Using the steps above, the member's total countable income is calculated as follows:

Step 1

A.  $\$1,480 - \$20 = \$1,460$  total countable unearned income.

Step 2

A.  $\$1,600 - \$65 = \$1,535$

$\$1,535 - (\$1,535 / 2) = \$767.50$  total countable earned income

Step 3

$\$1,460 + \$767.50 = \$2,227.50$  total countable income. The member's total countable income does not exceed 350% of the FPL.



The resource limits for MEDWorks are the same limits specified for recipients of Supplemental Security Income (SSI). Effective Jan 1, 1989, the resource limits are \$2,000 for an individual and \$3,000 for a married couple. There are certain resources that are not included when determining an individual's eligibility for MEDWorks, including:

- The house the individual lives in,
- One car for the member's use,
- Special needs trusts,
- ABLE accounts,
- Retirement savings for the member and their spouse,
- Burial spaces, and
- Other specialty accounts, including but not limited to:
  - Plan to Achieve Self-Support (PASS), and
  - Individualized Development Account.



Another benefit available to MEDWorks participants is a Savings for Independence and Self Sufficiency account (ISSA) – a special account for members who have extra money they wish to save for purchasing goods or services which increases or maintains their employability or independence.

Members can put up to \$20,000 in an approved account. Before the account can be approved, the member must explain what they will be using the money for and how it will help them to improve their employability or independence (using [State form 50929](#)). Each request is based on an individual's unique situation, and goods or services to be purchased must meet the criteria listed below:

- The savings will be used to buy something that is necessary for the member to keep or increase their employment. The account cannot be used for purposes of personal recreation.
- The member provides an explanation of what will be purchased and gives an expected date by which they will purchase the item. The goal must be achievable in a reasonable amount of time.



Individuals eligible for MEDWorks will be enrolled into one of three programs. Program selection is automated and based on the member’s age and Medicare status.

*Table 1 – MEDWorks Medicaid Programs*

Hoosier Care Connect (HCC)	Fee-for-Service (Traditional)	Indiana PathWays for Aging (PathWays)
Ages 16 – 59 who are <u>not</u> Medicare recipients.	Aged 16 – 59 who are Medicare recipients.	Aged 60 – 64, regardless of Medicare status.



Members enrolled with Hoosier Care Connect or Indiana PathWays for Aging must select a health plan. The health plan will make sure that members get the most appropriate care based upon their individualized needs. The health plans for each program are shown in the following table.

*Table 2 – MEDWorks Medicaid Programs Health Plans*

Hoosier Care Connect	Indiana PathWays for Aging
<ul style="list-style-type: none"> <li>▪ Anthem</li> <li>▪ Managed Health Services (MHS)</li> <li>▪ United Healthcare</li> </ul>	<ul style="list-style-type: none"> <li>▪ Anthem</li> <li>▪ Humana</li> <li>▪ United Healthcare</li> </ul>



Individuals who are eligible will pay a monthly premium, on a sliding fee scale, based on monthly income. For married individuals, though the spouse’s income is **not** considered for purposes of determining eligibility, it **is** considered when establishing the premium cost. The premium is determined by adding the unearned income, gross employment income and net self-employment income and then comparing the total to the premiums table below.

Table 3 – MEDWorks Premiums

Income % of the FPL	Premium Amounts	
	Individual	Married Couple
< 150%	\$0	\$0
150% to 175%	\$48	\$65
176% to 200%	\$69	\$93
201% to 250%	\$107	\$145
251% to 300%	\$134	\$182
300% to 350%	\$161	\$218
> 350%	\$187	\$254

<sup>i</sup> A disability determination must be made by the Indiana Medicaid Medical Review Team (MMRT) and/or the Social Security Administration (SSA). Determinations made by the SSA supersede MMRT determinations. Individuals who work themselves off of Social Security Disability benefits may qualify for MEDWorks – Improved if the MMRT determines their disability is still significant enough to qualify.

<sup>ii</sup> Individuals who lose employment involuntarily due to being fired, laid off, or the employer closes the business can maintain their eligibility for MEDWorks for up to 12 months, despite their unemployment, if they are working with Vocational Rehabilitation Services, are enrolled with the Department of Workforce Development, participate in a transition from school to work program, or participate with an approved provider of employment services. The involuntary termination of employment should be reported to the Division of Family Resources (DFR) within 10 days of the termination. Verification of the member’s attachment to the workforce must be returned to the DFR within 60 days of the date the member stopped working.

<sup>iii</sup> Federal Poverty Levels are determined by the U.S. Department of Health and Human Services. Additional information can be found at [Poverty Guidelines | ASPE \(hhs.gov\)](https://www.hhs.gov/poverty-guidelines)

<sup>iv</sup> Unearned Income is income for which there is no current performance of work or services.

<sup>v</sup> The general income disregard allows for the first \$20 of a member’s income to be exempt from counting in the Medicaid financial budget.

<sup>vi</sup> Earned Income is payment received in the form of wages, salaries, and commissions from an employer or from self-employment. In-kind earnings such as goods or services received in lieu of wages are also considered earned income.

<sup>vii</sup> The earned income disregard allows for the first \$65 of earned income to be exempt in the Medicaid financial budget.

<sup>viii</sup> Impairment-Related Work Expenses (IRWE) are costs for items or services that a member needs in order to work because of their disability. To be allowed as a deduction from earned income, the IRWE must be paid by the applicant/recipient and related to the employment of the applicant/recipient. An expense which is incurred, but not paid is not allowable. An expense that has been, will be, or could be paid for by Medicaid, other insurance, or any other source including other state programs is not allowable.