

# SSI and Medicaid for Students with Intellectual and Developmental Disabilities

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**October 14, 2020**

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# About The Arc of New Jersey

- Largest advocacy and service organization for children and adults with intellectual and developmental disabilities and their families.
- Founded in 1949 by families of individuals with I/DD and remains today a consumer and family driven organization.
- Serve the entire state of New Jersey through our Local County Chapters and our State Office Programs.
- In addition to our Programs, The Arc of New Jersey is highly involved in public policy, advocacy and governmental affairs activities.

# To Receive DDD Services at Age 21

- **Must be functionally eligible for DDD services and must have Medicaid.\***
  - Functional eligibility determined from questionnaire called NJ Comprehensive Assessment Tool (NJ CAT)
- **Best way to have Medicaid: Apply for Supplemental Security Income (SSI) at age 18. If receiving SSI will also get Medicaid.**
  - In low-income family – can apply for SSI as a child.
  - However, some children already have income at age 18 and are not eligible for SSI. There are also other ways to have Medicaid!
- **Not required to have legal guardianship to apply for DDD services.**
- **\*There is an exception to the DDD regulation on having Medicaid, which is known as “Non-DAC”.**

# Planning for the SSI application

- Before starting the SSI application, it's helpful to set up a folder with:
  - IEPs
  - progress reports and assessments
  - information on child's doctors, including medications and doses
  - part-time jobs (if applicable), including start and end dates and salary;
- Contact the Child Study Team if you need a copy of reports.
- **When SSA reviews SSI application – they want to know how the disability will affect ability to be self-supporting.**



# When Applying for SSI: Resources

- When student is younger than 18, family income is considered. On 18<sup>th</sup> birthday, family's income is disregarded and only the consumer's income is considered. **Encourage applying for SSI as soon possible after age 18.**
- Person with a disability **can't have more than \$2,000** in his/her name, with that person's Social Security number.
- Inform relatives not to leave money in their will to the individual with I/DD. They can leave assets in their will to a Special Needs Trust that parents have set up.

# When applying for SSI: Resources (cont.)

- “Spend-down” if amount over \$2,000 is small. Can document for spend-down: summer camp; class trip; therapies not covered by insurance.
  - No spend-down on food, clothing, shelter – parent’s responsibilities.
- If applicable, consider a Special Needs Trust (SNT). Parents can have life insurance policy with money going to the SNT after their death. **Hire an attorney who specializes in SNT!**

# Applying for SSI and having a life insurance policy

- Two types of life insurance: **Whole life and Term life insurance.**
- If the "owner" of the Whole Life Insurance policy has I/DD, he can cash it in at any time, and get money, resulting in loss of eligibility for SSI and Medicaid. Therefore, a person with I/DD cannot be the owner or the beneficiary of a whole life insurance policy. It's okay if the person with I/DD is the insured party.
- With a term life policy, there is no cash surrender aspect, and person with I/DD can be the insured party. But cannot be the beneficiary.

# **ABLE Accounts**

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# Achieving a Better Life Experience

## (ABLE) Act of 2014

- Persons with disabilities can deposit up to \$15,000/year in an ABLE tax-exempt savings account (in 2020).
- Eligibility: Must be receiving SSI or SSDI; Age of onset of disability must be before age 26, **OR**
- With medical documentation, can deposit money into ABLE account (up to max. of \$15,000/yr) as spend-down *before* applying for SSI.
- ABLE accounts won't affect continuing financial eligibility for SSI, Medicaid and other public benefits.

# ABLE Accounts (cont.)

- ABLE accounts are available in NJ. Can open ABLE account in this state or another state.  
<https://savewithable.com/nj/home.html>
- Visit the **ABLE National Resource Center** website [www.ablenrc.org](http://www.ablenrc.org), for state-specific information. Great website; webinars; state-by-state comparisons.
- **Important:** Upon the death of the beneficiary, the state in which he/she lived may file a claim for all or a portion of the funds in the ABLE account to recoup costs paid by the state while the beneficiary was receiving services through the state Medicaid program.

# What to do if parents opened a 529 account for child with I/DD?

- Eligible educational institution: any college, university, vocational school, or post-secondary educational institution.
- Be sure the **account owner** is a parent or grandparent, not the person with I/DD. **The student should be the designated beneficiary**
- **When applying for SSI - as long as account owner is not the individual with I/DD, a 529 account is not counted as asset when SSI applicant is 18 or older.**

# What to do if parents opened a 529 account for child with I/DD? (cont.)

- If person with I/DD is not going to college: Owner can transfer funds to a different 529 account for member of beneficiary's family.
- **A rollover provision.** Can rollover up to \$15,000/yr. into ABLE account. If 529 account had more than \$15,000, can do rollover in multiple years.
- Talk to accountant about tax implications of rollover.



# 36 Month “look-back” on child’s assets when applying for SSI

- Child cannot have more than \$2,000 in assets. (money in an ABLE account is an exception.)
- “Assets” includes savings bonds with child’s Soc. Sec. number.
- On all financial transfers, there is a 36 month look-back period on the child’s assets. This is 36 months before the date the individual filed an application for SSI.
- If the person is already receiving SSI, the 36 month look-back period starts with the date the resources were transferred.

# How to apply for Supplemental Security Income (SSI)

- Information on applying for SSI:  
[www.ssa.gov/ssi/text-apply-ussi.htm](http://www.ssa.gov/ssi/text-apply-ussi.htm)
- During coronavirus pandemic, Social Security offices closed to the public, but employees are working.
- Parents can call local Social Security office to make appointment to apply for SSI benefits on the phone for son/daughter with I/DD

# How to contact local Social Security office by phone



**Social Security**

The Official Website of the U.S. Social Security Administration

## Social Security Office Locator



### We are OPEN to receive your calls

On Tuesday, March 17, 2020, we suspended face-to-face service to the public in our field offices and hearings offices nationwide until further notice. However, we are still able to provide critical services via phone, fax and online.

### Find the Office for this ZIP Code.

ZIP:



Locate

[Zip Code Look Up](#)

[Services Outside the United States](#)

### Using our online services, you can:



- Apply for most types of benefits
- Estimate your future benefits
- Do so much more

To learn more, visit [What You Can Do Online.](#)

### National 800 Number

**Toll-Free:** 1-800-772-1213

# Applying for SSI or Medicaid if parents are divorced

- When parents are divorced, child support is viewed as the child's "income".
- Depending upon the amount of child support, adolescent may not be eligible for SSI or Medicaid, but there is a 1/3 exclusion of child support income.
  - Example: if child receives \$1,000/month in child support, only \$666. would be counted by Medicaid as "income."

# When SSI begins for an adult (age 18 or older)

- Parents should open new bank account, jointly with individual with I/DD, with child's Social Security number first.
- SSI checks to be deposited electronically into this new joint bank account.
- Can't have more than \$2,000 in this bank account!
- If receiving lump sum back payments, have 9 months to spend down. After 9 months, cannot exceed \$2,000 in this account. May open ABLE account, if needed.
- Select a Medicaid HMO or be auto-assigned.

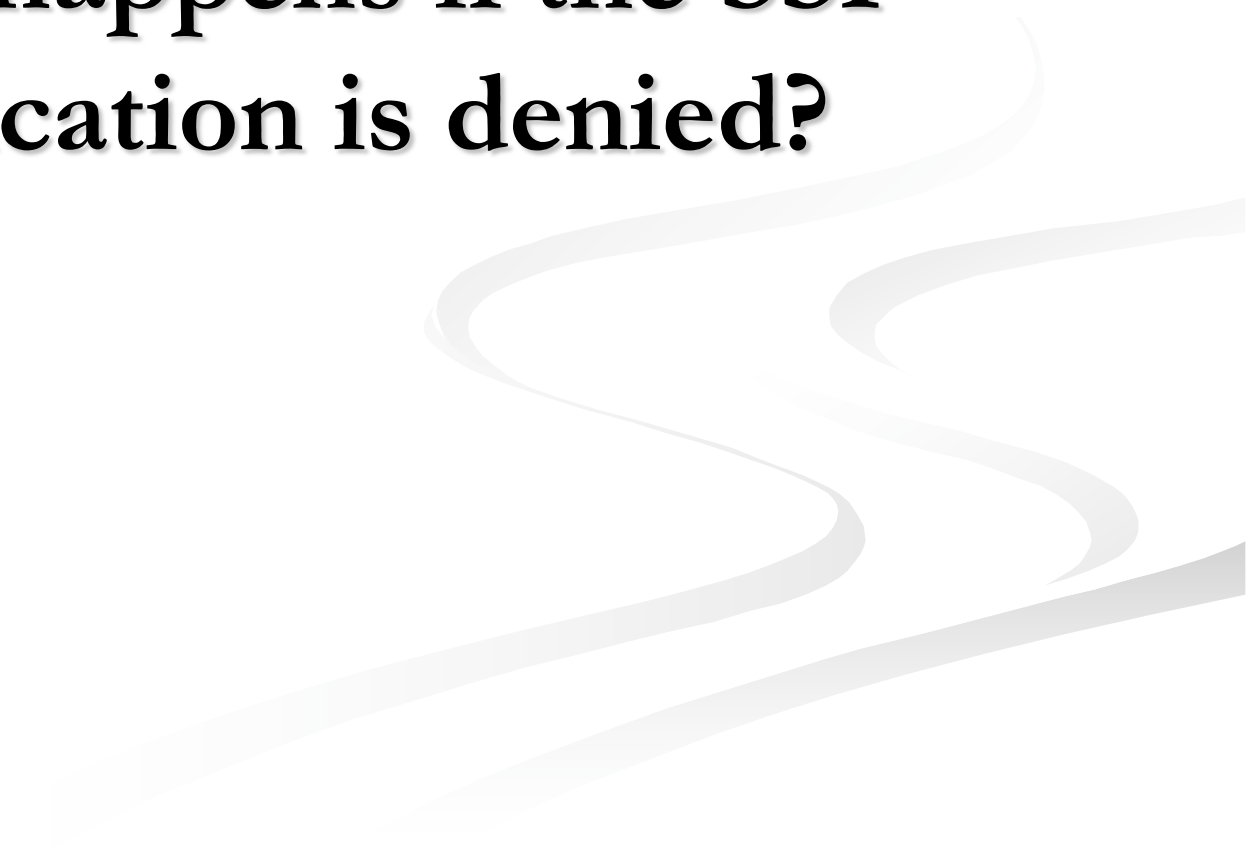
# SSI and travel outside the U.S.

- Important note: If a person receives SSI and travels out of the U.S. for **30 consecutive days or more**, he/she is not eligible for SSI (or Medicaid) during any month when he/she is outside the U.S.
- An individual who was receiving SSI, and has traveled out of the U.S. for 30 days or longer is not considered by Social Security to be in the U.S. until he/she is in the U.S. for **30 consecutive days upon returning**.

# After approval for SSI

- After approval for SSI or Medicaid: **Must respond in timely way to official requests for re-determinations. SSI and Medicaid can be terminated for failure to respond.**
- If moving, be sure Social Security and Medicaid have the new mailing address.
- If person receiving SSI is employed, must report wages monthly to Social Security.
- If person with I/DD is employed: Substantial Gainful Activity (SGA) - **\$1,260/mo., gross income (2020).**

**What happens if the SSI  
application is denied?**

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# If person with I/DD is denied SSI

- Family is advised to appeal in timely manner.

Easiest way to appeal:

[www.socialsecurity.gov/disability/appeal](http://www.socialsecurity.gov/disability/appeal)

- Possible reasons for denial of SSI:
  - Assets above \$2,000
  - Special Needs Trust not done correctly
  - Medical documentation not sufficient to justify a severe disability, per SSA requirements.

# Individuals with high functioning autism who apply for SSI

- SSI is intended for persons with a *severe disability*.
- In doing the SSI application, parents should include all of their child's diagnoses, if applicable. For example: autism, seizure disorder, depression, and OCD, etc., with medical documentation of all of the diagnoses.
- In general, persons with high functioning autism (i.e., Aspergers), will probably be turned down for SSI. They can apply, but be prepared for the application to be turned down and appeal.

# If appeal is denied...

- Parents may want to contact attorney to represent the son/daughter at a fair hearing with a judge. Some attorneys specialize in these cases.
- If attorney accepts the case, typically there is no fee, unless the attorney wins the case. Then the fee is a % of the lump sum back payment from Social Security.

# **New Jersey State Bar Association- Lawyer Referral Service**

The link below is a list of county bar associations that offer lawyer referral services

<http://bit.ly/LegalReferralService>

**Why is it important to have SSI?**

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# SSI and Medicaid in NJ

When individuals in NJ have SSI, they have Medicaid automatically, without a separate Medicaid application. But if SSI ends, Medicaid will also end.

# Connection between SSI for person with I/DD and parent's work record

- When parent of person with I/DD retires, becomes disabled, or dies, the son/daughter receives a Social Security Disability Insurance (SSDI) benefit on parent's work record.
- Monthly SSDI on parent's work history would often be too high to be eligible for NJ Medicaid.
- But, when persons with disabilities previously had SSI, they are **“Disabled Adult Children: Section 1634 DACs”**, as defined by the Social Security Admin. They are eligible to get Medicaid again, after they start receiving SSDI on parent's work record, from county Board of Social Services. The amount of the SSDI benefit is disregarded.

# Official Definition: Section 1634 DAC

- **DAC = Disabled Adult Child.** See Section 1634 DAC flyer developed by NJ DHS.
- Social Security Admin. (SSA) definition of a DAC:
  - A person who was receiving Supplemental Security Income (SSI) benefits (and Medicaid) and who meets the following:
  - Is at least 18 years of age;
  - Has blindness or a disability which began before the age of 22;
  - Has been receiving SSI based on blindness or disability; and
  - Has lost SSI due to the receipt of Social Security benefits on a parent's record due to the retirement, death, or disability of a parent.
- Also, the person cannot have more than \$2,000 in resources in his/her name (not including a Special Needs Trust or ABLE account funds).



# Social Security Administration and Section 1634 DAC

- Upon retirement, death, or disability of a parent: If son/daughter has SSI, this is what parents should know:
  - Will transition from SSI to SSDI.
  - Letters from Social Security and Medicaid will arrive – **notification that previous Medicaid will stop 4 months after letters were mailed.**
  - Parent should receive a blue envelope from DDD with a Request for Information (RFI). **Note:** *During the coronavirus pandemic, this will be emailed, rather than mailed.*
  - The RFI (which is very similar to ABD Medicaid application), should be completed and returned promptly.

# When applying for Medicaid...

**When SSI/Medicaid is ending due to parent's retirement (or due to parent's disability or passing away):**

- Son/daughter with I/DD cannot have more than \$2,000 in assets with these exceptions:
  - Funds in ABLE account (up to \$15,000 deposited per year)
  - Funds in a Special Needs Trust

# New information!

- Previously: When a person with I/DD had SSI and then a parent retired, became disabled, or passed away – the switch to SSDI was automatic.
- Recently: Some parents are being told they need to **do a new application to Social Security** before SSDI is effective.
  - **Important to save all medical & IEP documents from when SSI is approved, to provide during a Social Security re-application process!**

**What happens if 18-year-old  
with I/DD is not eligible for  
SSI because of too much  
income from Social Security  
(from parent's work record)?**

# SSDI from a parent, before eligibility for SSI

- Occasionally, mom or dad has retired, become disabled or passed away *before* son/daughter with I/DD could apply for SSI.
- Person with I/DD receives Social Security Disability Insurance (SSDI) from parent's work record.
- Usually not eligible for SSI because of SSDI income.

# What is a “Non-DAC”? (DDD terminology)

- A non-DAC *never had SSI as an adult (age 18 or older)* and now receives Social Security Disability Insurance (SSDI) on the parent’s work record, due to retirement, disability or death of the parent. **If the amount of the SSDI benefit is above \$1,064/month (in 2020)**, the person is not eligible for County Medicaid (NJ Care Special Medicaid Program).

# More on Non-DACs

- Families are confused because most DDD-related notices say that Medicaid is required.
- Families should know that “Non-DAC” status is an exception to DDD’s Medicaid requirement!
- The Arc of NJ has fact sheet on Non-DAC status.
- **IMPORTANT:** Having “Non-DAC” status does **NOT** provide Medicaid immediately. In the future, the person who has Non-DAC status from DDD will be eligible for Medicaid from DDD Supports Program.
- Contact [broberts@arcnj.org](mailto:broberts@arcnj.org) for more information.

# Medicaid Eligibility Problem Form or DDD's Troubleshooting Form



## The Arc of New Jersey's Mainstreaming Medical Care Program

### Medicaid Eligibility Problem Form

[www.mainstreamingmedicalcare.org](http://www.mainstreamingmedicalcare.org)

Date of Report: \_\_\_\_\_

|   |  |  |                        |                |  |  |
|---|--|--|------------------------|----------------|--|--|
| Individual's Name: _____  |  | DDD Client? <input type="checkbox"/> Yes <input type="checkbox"/> No | Date of Birth: _____   | Age now: _____ |  |  |
| Address: _____  |  | CCW? <input type="checkbox"/> Yes <input type="checkbox"/> No        | Social Security# _____ |                |  |  |
| Name of Contact Person: _____   |  | Contact Person's Telephone: _____                                    | County: _____          |                |  |  |
| Relationship to Individual: _____   |  | Email: _____   |                        |                |  |  |
| <b>Assets</b><br>Amount of money in the bank in the name of the individual: \$ _____<br>Any other assets in the name of the individual (e.g., stocks, bonds)? \$ _____<br>If there are assets in the name of the individual, was a special needs trust ever developed? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>Comments: _____  |  |  |                        |                |  |  |
| <b>Supplemental Security Income History</b> Has the individual ever received SSI? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>If yes, monthly amount: \$ _____ At what age did SSI start? _____ Is the person still receiving SSI? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>If no, at what age did person stop receiving SSI? _____<br>Do you know the circumstances that caused the person to lose SSI? Please explain: _____<br>Comments: _____  |  |  |                        |                |  |  |
| <b>Medicaid History</b> Has the individual ever received Medicaid? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>If yes, approximate age when Medicaid started: _____ Approximate age when Medicaid ended: _____<br>Do you know why Medicaid ended? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please explain: _____<br>If the person has never received Medicaid, did he/she ever apply for Medicaid? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>If yes, explain why Medicaid was denied: _____<br>If no, explain why no application was ever made to Medicaid: _____<br>Comments: _____  |  |  |                        |                |  |  |
| <b>Social Security Disability?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, monthly amount: \$ _____ At what approximate age did SSD start? _____<br>Did he/she begin receiving benefits from Social Security based on parent's work history? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please explain: _____<br><b>Medicare?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No   |  |  |                        |                |  |  |
| <b>Employment Status of Parents</b><br><table border="0"> <tr> <td> <b>Mother:</b> Working? <input type="checkbox"/> Yes <input type="checkbox"/> No<br/>           Retired? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, approx. age when mom retired: _____<br/>           Deceased? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, approx. age when mom died: _____<br/>           Disabled? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, approx. age when mom became disabled: _____         </td> <td> <b>Father:</b> Working? <input type="checkbox"/> Yes <input type="checkbox"/> No<br/>           Retired? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, approx. age when dad retired: _____<br/>           Deceased? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, approx. age when dad died: _____<br/>           Disabled? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, approx. age when dad became disabled: _____         </td> </tr> </table> |  |  |                        |                | <b>Mother:</b> Working? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>Retired? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, approx. age when mom retired: _____<br>Deceased? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, approx. age when mom died: _____<br>Disabled? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, approx. age when mom became disabled: _____ | <b>Father:</b> Working? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>Retired? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, approx. age when dad retired: _____<br>Deceased? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, approx. age when dad died: _____<br>Disabled? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, approx. age when dad became disabled: _____ |
| <b>Mother:</b> Working? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>Retired? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, approx. age when mom retired: _____<br>Deceased? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, approx. age when mom died: _____<br>Disabled? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, approx. age when mom became disabled: _____  | <b>Father:</b> Working? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>Retired? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, approx. age when dad retired: _____<br>Deceased? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, approx. age when dad died: _____<br>Disabled? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, approx. age when dad became disabled: _____ |  |                        |                |  |  |
| <b>Individual's Employment Questions</b><br>Currently employed? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, Number of hours/week: _____ Salary: \$ _____ per month<br>If currently employed: Did individual apply for Medicaid's Workability Program <input type="checkbox"/> Yes <input type="checkbox"/> No Comments: _____<br>Receiving unemployment income? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, amount of unemployment income: \$ _____ per month<br>Receiving SSDI because of individual's work history? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, amount of SSDI per month \$ _____  |  |  |                        |                |  |  |
| <b>Does individual receive any other income not listed above? (Including child support, pension from a parent or income from any other source)</b> <input type="checkbox"/> Yes <input type="checkbox"/> No<br>If yes, what is the other income and amount, per month? _____  |  |  |                        |                |  |  |
| <b>Miscellaneous</b><br>If applicable, Please mention any other issues that you think are relevant to this person's applying for Medicaid: _____  |  |  |                        |                |  |  |
| I give permission for this information to be forwarded to The Arc of New Jersey, and also give permission for it to be forwarded to the NJ Division of Medical Assistance and Health Services (NJ Medicaid) and/or the Division of Developmental Disabilities (DDD).<br>*Signature: _____ Date: _____   |  |  |                        |                |  |  |

Please email or fax the completed form to Beverly Roberts at [broberts@arcnj.org](mailto:broberts@arcnj.org) / fax (732)246-2567 or Jennifer Lynch at [jlynch@arcnj.org](mailto:jlynch@arcnj.org) / fax (732)784-6397. We will get back to you as soon as possible.

\*Electronic Signature accepted: Typed signature with date indicates electronic verification of the information provided.

Revised 01/2017



# Medicaid Thru NJ WorkAbility

- NJ WorkAbility provides Medicaid for people with disabilities who are employed and between ages 16 & 64.
- Persons with permanent disabilities, working PT or FT are eligible.
- Can earn as much as \$64,596/yr. Can have \$20,000 in personal assets and still qualify.
  - IRA & 401K personal retirement accts. – not counted for eligibility

# NJ WorkAbility (Cont.)

- **What can cause termination of NJ WorkAbility?**
  1. **No longer employed.**
  2. **Receiving unearned income above the threshold (\$1,064/month in 2020)**
  3. **65<sup>th</sup> birthday**
- **If receiving DDD services, can apply for a different type of Medicaid through DDD Waiver Unit, but total income can't exceed \$2,349/mo. (2020).**
- **No one should be terminated from any type of Medicaid during the coronavirus pandemic.**

**What happens if total income of  
person with I/DD exceeds  
\$2,349/month in 2020?**

# If monthly income exceeds the maximum for Non-DAC Status

- For 2020: Income maximum is **\$2,349/month, gross income – total from all sources.**
- If person with I/DD has more than the maximum income, cannot currently have Medicaid or DDD services, unless paying privately.
- DDD is working on a process for Qualified Income Trust (QIT).
- Email [broberts@arcnj.org](mailto:broberts@arcnj.org) if monthly income is above this maximum. Will forward to DDD.

**NJ Medicaid that is not  
connected to having a disability**

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# Medicaid/NJ FamilyCare – not connected to having a disability

- Also called Medicaid expansion.
- Income maximum for 2020: **\$1,468/month;**  
**(\$17,616/year)**
- Eligibility based on low income, not on disability.
- **Cannot be a dependent on parent's tax return!**
- Cannot receive Medicare and have this type of Medicaid.
  - Example: Not eligible due to receiving SSDI and Medicare starts after 24 months. May need Non-DAC Medicaid through DDD Waiver Unit.

# IMPORTANT: Continuation of Parent's Private Health Insurance AFTER age 26

- All young adults can stay on parent's health insurance until age 26.
- **BEFORE** child's 26<sup>th</sup> birthday – parent requests a form from employer's Human Resources Dept.
- Special process for young adults with disabilities who are not capable of self-sustaining employment to stay on parent's employer's health insurance – for as long as parent has the health insurance.
- Can have private health insurance *and* Medicaid. Medicaid is always payer of last resort.
- The Arc of NJ's fact sheet on private insurance.

# Questions?

