

# **MEDICAID WORKS**

## **Guide**

**MEDICAID WORKS** is a work incentive opportunity offered by the Virginia Medicaid program for individuals with disabilities who are employed or who want to go to work. **MEDICAID WORKS** is a voluntary Medicaid plan option that will enable workers with disabilities to earn higher income and retain more in savings, or resources, than is usually allowed by Medicaid. This program provides the support of continued health care coverage so that people can work, save and gain greater independence. To apply for this Medicaid program, individuals should contact the local Department of Social Services in the city or county where they live.

**To qualify** for **MEDICAID WORKS**, applicants must be determined to meet the income, asset and eligibility requirements by their local Department of Social Services. This means that current and new Medicaid enrollees who are blind or disabled<sup>1</sup>, must have total countable income of no more than \$1,482 per month and resources of no more than \$2,000 if single (\$3,000 if a couple). In addition, an applicant must be:

1. At least 16 years of age and less than 65 years of age;
2. Employed <sup>2</sup> or have documentation from an employer establishing the date when employment will begin;
3. A resident of the Commonwealth; and a
4. U.S. citizen, U.S. national or qualified non-citizen.

For the purposes of this program, current participation in the Social Security Administration (SSA) programs of Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) will satisfy the condition for disability. Any other applicant without SSA documentation of disability will have to be evaluated by the state's Disability Determination Services program before eligibility can be established.

To enroll in MEDICAID WORKS, applicants must first establish a Work Incentive (WIN) account at a bank or other financial institution. The WIN account is not a special account available at a bank, but can be a regular checking or savings account that the enrollee identifies for this purpose. Only earned income may be deposited in the WIN account. One or more WIN accounts must be designated by enrollees and used to deposit all earned income and to keep any resources, or savings, above \$2,000 in order to remain eligible for this Medicaid program. By placing the earned income in the WIN account, enrollees can have resources in the account of up to \$41,399 (effective January 1, 2021), and annual earnings of up to \$75,000. There are no restrictions on use of funds in the above WIN account(s) so they may be used as needed. Amounts deposited in the following types of IRS-approved accounts will not count against this resource limit and will not affect eligibility for the program, but they also must be identified as WIN accounts. These include retirement accounts, medical savings accounts, medical reimbursement accounts, education accounts and independence accounts. Access to these funds is restricted.

In addition, *if required*, applicants must submit payment of any premium before enrollment can occur. **MEDICAID WORKS** is currently premium-free for all enrollees. When a premium requirement is established, enrollees will be notified well in advance of its effective date. A premium schedule will be provided illustrating how premiums will be charged on a sliding scale based on individual enrollee income. Monthly premium payments will have to be submitted in a timely manner in order to maintain eligibility and continue to be enrolled in the program.

**The Effective date** of enrollment in the program will be dependent upon the receipt of the first month's premium payment, *if required*, and documentation of the WIN account(s). Coverage will begin on the first day of the month following the month in which any required premium payment and WIN documentation is received. In the event an applicant has a future start date for employment, the effective date of enrollment will be no earlier than the first day of employment. However, unless employment begins on the first day of the month, program enrollment will be the first of the following month.

**To continue enrollment** in **MEDICAID WORKS**, enrollees must continue to be disabled, employed, less than 65 years old, and have earnings and resources no higher than the amounts stated above. In addition, the amount of unearned income received by the enrollee must continue to remain below 138% of the federal poverty level, as described earlier in this document. However, if an enrollee receives a monthly SSDI payment and the amount increases due to work and/or a cost-of-living adjustment (COLA), the enrollee must deposit the amount of this increase into a WIN account if the new SSDI payment amount exceeds the unearned income limit of 138% of the federal poverty level.

Eligibility will be re-determined no less often than annually. Enrollees are required to inform their eligibility worker about changes that may affect their coverage, including but not limited to, change of address, change in income, change in employment, or loss of employment. Periodic reporting of documentation regarding enrollee's employer, employment status, earned income and WIN account(s) will be required.

**Safety net** components of the program include allowing enrollees who are unable to maintain employment due to illness or unavoidable job loss to remain in the program as unemployed for up to six months with the continued payment of any required monthly premiums. *The amount of unearned income received by the enrollee must continue to remain below 138% of the Federal Poverty Level. Unemployment cash benefits are considered unearned income.* However, if an enrollee becomes unemployed and receives income from unemployment insurance payments, the enrollee must deposit all of these payments into a WIN account in order to remain eligible for **MEDICAID WORKS** during the six-month safety net or "grace" period. Enrollees who are unable to sustain employment and must terminate from the program will be evaluated expeditiously by the local Department of Social Services to determine if they meet the eligibility requirements for any other Medicaid covered groups. This will be completed before an enrollee is terminated from the program.

Resources accumulated after enrollment in **MEDICAID WORKS** from enrollee earnings that are held in WIN accounts and are no greater than the WIN limit will not be counted in this eligibility determination. If found eligible and enrolled in another Medicaid covered group, the individual will have up to one year to dispose of these funds before they are counted toward ongoing Medicaid eligibility.

Resources accumulated after enrollment in **MEDICAID WORKS** from enrollee earnings held in the following IRS-approved accounts that have been designated as WIN accounts will not be counted in any future eligibility determinations. These include IRS-approved retirement, medical savings, education and independence accounts.

For more information or to apply for **MEDICAID WORKS**, please contact the local department of social services in the city or county where you live. Contact information is available at <http://www.dss.virginia.gov/localagency>.

### **Reference Notes:**

<sup>1</sup> “Disabled” means an individual is unable to work because of a medical condition, as defined by the Social Security Administration (SSA).

<sup>2</sup> “Employed” or “working” means the applicant/enrollee must be engaged in competitive employment in an integrated setting and receive compensation at or above the minimum wage from which payroll taxes are withheld (documentation required). If self-employed, earnings must be demonstrated through documentation of IRS filings, quarterly estimated taxes, business records and/or business plan.