

# **REGIONAL SSA PROGRAM CIRCULAR SUPPLEMENTAL SECURITY INCOME**

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No. 01-01

Office of the Regional Commissioner, San Francisco

Date: 04/12/01

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## **SECTION 1619(b) CASE PROCESSING (SI 02302 ff. and SI 02305.016)**

The purpose of this Program Circular is to provide a general overview of the most significant case processing issues and requirements related to Section 1619(b) processing.

Continuation of Medicaid eligibility can be critical to a SSI recipient's efforts to return to work. Under Section 1619(b), individuals who lose eligibility for SSI cash payments due to earnings may retain SSI "recipient" status if they meet all other factors of eligibility and total earned income does not exceed the applicable threshold amount.

If the individual was eligible for Medicaid while receiving SSI cash payments, Medicaid eligibility is protected (i.e., is not affected by the individual's earned income), even though the individual is no longer receiving SSI cash payments.

Interviewing personnel must remember that 1619(b) is the critical link to a disabled or blind person's Medicaid and may require an individualized insufficiency of earnings threshold determination. This makes for a truly personalized decision. It is essential that we have current information before we make an individualized threshold determination. Interviewers must work closely with the recipient and offer any assistance needed to obtain the required documentation.

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**RETENTION: April 30, 2002**

**DISTRIBUTION: FO/TSC/TC: OS, MSS, CR, FR, TA, TE, SR, TSR**

**QUESTIONS MAY BE DIRECTED TO THE SSI TEAM AT (510) 970-8252 OR E-MAIL  
||SF PROGRAMS @ SF-EXCHANGE**

## **ELIGIBILITY REQUIREMENTS** (SI 02302.010B.2)

1. Eligible for a SSI cash payment for at least 1 month; and
2. Continue to be disabled or blind; and
3. Meet all nondisability requirements for regular benefits except for earnings, and
4. Need Medicaid in order to work (see Medicaid Use Test procedure, page 2); and
5. Have insufficient earnings to replace SSI, Medicaid, and any publicly funded attendant care (see Threshold Test procedure, page 3).

## **REINSTATEMENT RIGHTS** (SI 02302.010B.3)

1. Recipient status under 1619(b) protects reinstatement rights under all SSI provisions, i.e. 1611 or 1619(a) cash benefits, or 1619(b) benefits.
2. A 1619(b) eligible individual is reinstated to SSI cash benefits when countable earned income drops enough to allow payment and all other eligibility criteria are met.
3. An individual suspended for less than 12 months may be reinstated to cash benefits or 1619(b) status, as appropriate without a new application or a new disability determination. A 1619(b) month, although a nonpay month, is not a suspense month.
4. Reinstatement is possible at all times in all States, unless the individual's eligibility is terminated.

**EXAMPLE:** Joan is a SSI recipient.

- **January 1999** - She starts to work. Due to her earnings, she is no longer entitled to cash payments (N01). She meets all factors for 1619(b). Her Medicaid continues.
- **February 2001** (25 months later) - She accumulates \$3000 in her savings account. She has excess resources (N04) effective February 1, 2001.
- **April 2001** - She comes into the field office and states she has spent all her resources on March 28, 2001. She has also quit her job.

Even though cash benefits haven't been paid since 1/99, she was suspended (N04) for only two months. A new application or a disability determination is not required and she is eligible for reinstatement.

## **WHEN TO MAKE A DETERMINATION** (SI 02302.030, .040, .045)

1. **Initial Medicaid Use and Insufficiency of Earnings Threshold Determination**  
At the time the individual reports earnings that will cause ineligibility for a cash payment.  
EXCEPTION: Initial insufficiency of earnings determinations may be deferred until the next scheduled redetermination.
2. **Subsequent Medicaid Use and Insufficiency of Earnings Threshold Determinations**  
Yearly scheduled 1619(b) redetermination – Profile “W” (SI 02305.016)

## **PROCEDURE**

Eligibility for continuing recipient status for Medicaid under section 1619(b) results when an otherwise eligible working blind or disabled person has countable earned income which makes his/her total countable income exceed the applicable breakeven point. In addition, both the Medicaid Use Test and Threshold Test for Insufficiency of Earnings must be met. See the following charts for assistance:

1. Developing and documenting when the Medicaid Use Test is met.
2. Developing and documenting when the Threshold for Insufficiency of Earnings Test is met.
3. Calculating the Individualized Threshold for Insufficiency of Earnings (this sheet must be kept in file for folder documentation of the computation).

<b>MEDICAID USE TEST</b> <b>(SI 02302.040)</b>	
1.	<b>ASK</b> the following: <ul style="list-style-type: none"><li>• Have you used any medical care or service in the past 12 months that was paid for by Medicaid?</li><li>• Do you expect to receive any medical care or services in the next 12 months that will be paid by Medicaid?</li><li>• Without Medicaid would you be unable to pay your medical bills if you become ill or injured in the next 12 months?</li></ul>
2.	<b>IF YES to <u>ANY</u></b> – Record the allegation on a Record of Contact (RC), SSA-5002. <b>MEDICAID USE TEST MET. GO to THRESHOLD TEST.</b> <b>IF NO to <u>ALL</u></b> – Record the allegation over the individual’s signature (SSA 795) Medicaid use <b>NOT</b> met – <b>NOT 1619b ELIGIBLE</b>
3.	<b>Input</b> determination – SM 01305.975

<b>THRESHOLD TEST – Insufficiency of Earnings (SI 02302.045)</b>											
<b>CHARTED THRESHOLD (SI 02302.045B.)</b>											
<b>1.</b>	Compare 12 month period of gross earned income TO Chartered state threshold amount – SI 02302.200 (last column)										
<b>2.</b>	Earned Income LESS – <b>THRESHOLD TEST MET</b> <b>Input</b> determination (SM 01305.975)  Earned Income MORE – <b>GO</b> to Individualized Threshold Test										
<b>INDIVIDUALIZED THRESHOLD (SI 02302.050)</b>											
<b>1.</b>	Complete <b>Individualized Threshold Calculation Worksheet</b> – SI 02302.300										
<b>2.</b>	Determine and develop actual <b>Medicaid expenses</b>										
	<table border="1"> <tr> <td>a. Record on a RC</td><td> <ul style="list-style-type: none"> <li>When services were or are being received</li> <li>Names and addresses of providers</li> <li>Description of services</li> </ul> </td></tr> <tr> <td>b. Obtained a signed release (SSA-827) for each source of information about use of services needed.</td><td></td></tr> <tr> <td>c. Verify alleged expenditures and record information on a RC.</td><td> <ul style="list-style-type: none"> <li>Examine recipient's records from the Medicaid agency, its contractor when applicable or the provider of services. OR</li> <li>Contact the Medicaid agency or its contractor when applicable OR</li> <li>Contact the provider(s) of services</li> </ul> </td></tr> <tr> <td>d. Reconcile any differences that could affect the determination.</td><td></td></tr> <tr> <td>e. Based on the above information, estimate the Medicaid expenses for the period for which the determination is being made (as described in SI 02302.045 A.3)</td><td></td></tr> </table>	a. Record on a RC	<ul style="list-style-type: none"> <li>When services were or are being received</li> <li>Names and addresses of providers</li> <li>Description of services</li> </ul>	b. Obtained a signed release (SSA-827) for each source of information about use of services needed.		c. Verify alleged expenditures and record information on a RC.	<ul style="list-style-type: none"> <li>Examine recipient's records from the Medicaid agency, its contractor when applicable or the provider of services. OR</li> <li>Contact the Medicaid agency or its contractor when applicable OR</li> <li>Contact the provider(s) of services</li> </ul>	d. Reconcile any differences that could affect the determination.		e. Based on the above information, estimate the Medicaid expenses for the period for which the determination is being made (as described in SI 02302.045 A.3)	
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<b>3.</b>	Determine and develop <b>IRWE, BWE</b> and income excluded under a <b>PASS</b> .										
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<b>5</b>	If Individualized Threshold (see Individualized Calculation Worksheet step 7 & 8): EQUAL OR MORE than earned income – <b>THRESHOLD TEST MET</b>  LESS than earned income – Threshold Test <b>NOT</b> met – <b>NOT 1619(b) ELIGIBLE</b>										
<b>6.</b>	<b>Input</b> determination – SM 01305.975										

# INDIVIDUALIZED THRESHOLD CALCULATION WORKSHEET (SI 02302.300)

NAME \_\_\_\_\_ SSN \_\_\_\_\_

INDIVIDUALIZED CALCULATION FOR PERIOD BEGINNING \_\_\_\_\_ / \_\_\_\_\_  
(month) (yr)

1. a. Enter the appropriate **BASE AMOUNT** from the threshold chart  
(SI 02302.20, 3<sup>rd</sup> column) \$ \_\_\_\_\_  
  
b. Recalculate the base amount using The State supplement rate for the Individual's **actual living arrangement**  
(FBR + OS X 2 + \$85 X 12 months) \$ \_\_\_\_\_  
  
c. Enter the higher of a. or b. \$ \_\_\_\_\_
2. a. Enter the appropriate **TITLE XIX** amount from the threshold chart.  
(SI 02302.200, 4<sup>th</sup> column) \$ \_\_\_\_\_  
  
b. Enter the individual's **estimated Medicaid expenditures** for the determination period.  
(per SI 0230.2.020 D.2) \$ \_\_\_\_\_  
  
c. Enter the higher of a. or b. \$ \_\_\_\_\_
3. Enter the annual amount of **IRWE** the person has \$ \_\_\_\_\_
4. Enter the annual amount of **BWE** the person has \$ \_\_\_\_\_
5. Enter the annual amount of income excluded under an approved **PASS** \$ \_\_\_\_\_
6. Enter the value of any publicly funded **attendant care** the person receives per SI 02302.050 \$ \_\_\_\_\_

7.	<b>TOTAL</b> the amounts for <b>lines 1 – 6</b>	\$ _____
<b>COMPARE TO</b>		
8	The individual's <b>GROSS EARNED</b> income for the computation period	\$ _____

COMPARE LINES 7 AND 8. If the amounts are equal or if **7 is higher**, the individual is **ELIGIBLE** under the threshold test. If 8 is higher, the individual is not eligible under the threshold test.

KEEP THIS WORKSHEET IN THE INDIVIDUAL'S FILE

## **PROFILE W “MEP” 1619 (b) REDETERMINATION PROCESSING REMINDERS**

1. Conduct a personal contact interview to complete an SSA 8202. A telephone interview is preferred since the recipient is working. Face to face interviews may be inconvenient. (SI 02305.016)
2. Always:
  - Determine when Impairment Related Work Expenses (IRWE) must be considered, developed and documented. The SSA-8202 is not specifically designed to elicit information about IRWE but responses may be recorded in the REMARKS section of an SSA-8202, on an SSA-795, item 9 on the SSA-821 or on a RC describing the IRWE claimed or that no IRWE is alleged. (SI 02305.097, SI 00820.550)
  - Assume that any working blind individual earning more than \$65 has Blind Work Expenses (BWE). Record the individual’s allegation regarding BWE on the redetermination form, on a SSA-795, or on a RC. (SI 00820.550)
  - Initiate a discussion about a Plan for Achieving Self Support (PASS) with anyone whom is a likely candidate. (SI 00870.003)
3. As the needed information concerning earnings, Medicaid usage and sufficiency of earnings (threshold) is received, the information should be input. Do not clear the redetermination until development is completed, including redetermining 1619 (b) eligibility. (SM 01305.975)

### **REFERENCES:**

1619 (b) Policy and Procedures- SI 02302.001 ff.  
1619 (b) System’s Input & Processing - SM 01305.975, SM 01305.992, SI 02302.030  
1619 (b) – Profile W Redeterminations - SI 02305.016, SI 02305.097  
BWE (Blind Work Expenses) - SI 00820.535, SI 00820.545 - .565  
Goldberg/Kelly - SI 02302.015 B.6  
IRWE (Impairment Related Work Expenses) - DI 10520.001ff, SI 00820.540 - .560  
PASS (Plan for Achieving Self-Support) - SI 00870.001 ff.  
Regional POMS – Verification of Medicaid Expenditures - SI R 02302.050