

# **Social Security, SSI, and Medicaid Basics**

T.J. Sutcliffe, The Arc  
Julie Ward, The Arc



**SOCIAL SECURITY**

# Basics

## Income Maintenance    Health Insurance

**Means-  
Tested**

Supplemental  
Security Income  
(SSI)  
Title XVI

Medicaid  
Title XIX

**Earned  
(Not  
Means-  
Tested)**

Social Security  
Old Age, Survivors, and  
Disability Insurance  
(OASDI)  
Title II

Medicare  
Title XVIII



# Social Security Act, Title II

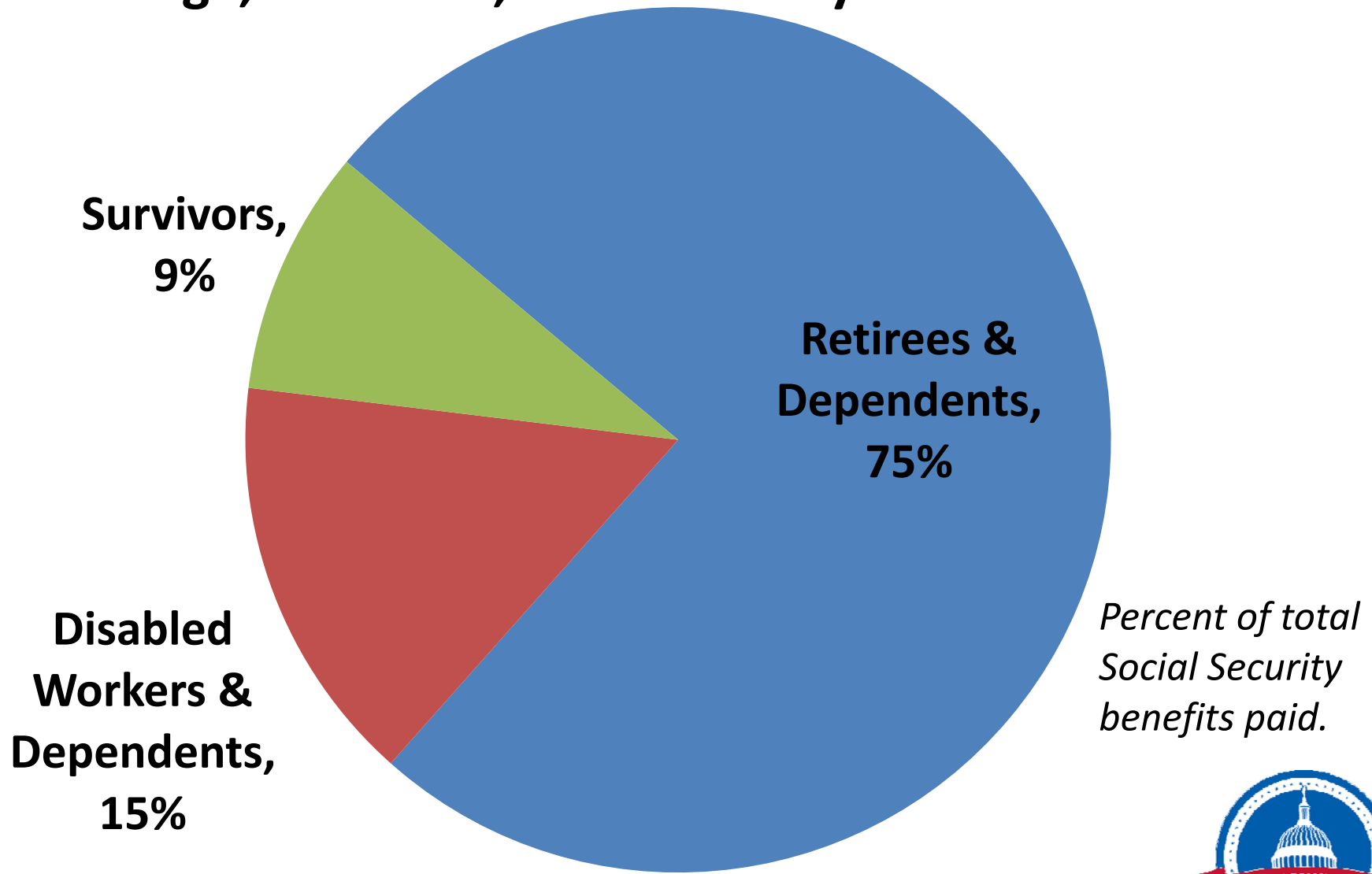
“...security of the men, women, and children of the Nation against certain hazards and vicissitudes of life.”

-- Franklin D. Roosevelt,  
January 17, 1935



*Signing the Social Security Act  
of 1935.*

# Social Security Act, Title II: Old-Age, Survivors, and Disability Insurance Benefits



# Social Security: A Lifeline

- All parts of the Social Security system are important to people with disabilities:
  - **Old-Age Insurance** (retirement) – retirees and dependents
  - **Survivors Insurance** - dependents
  - **Disability Insurance (SSDI)** – “disabled workers” and dependents
- Movement among programs



# Social Security: One System

- Guaranteed monthly benefit
- One basic structure & benefit formula
  - Benefit levels based on worker's earnings history / prior contributions
  - Quarters of coverage/work credits
- One annual Cost-of Living (COLA)
- No asset (resource) limits
- Medicare (disability: after 24 months)



# Social Security Disability Insurance (SSDI)

- To qualify, a worker must:
  - Have worked in Social Security-covered jobs
  - Meet requirements for:
    - Recent work
    - Duration of work
  - Have a disability that meets the Social Security Act **definition of disability**
  - Have not reached full retirement age





# Social Security

## Disabled Adult Child (DAC) Benefit

- Over 1 million people receive an average DAC benefit of \$807 /month (Dec. 2015)
- Eligibility:
  - Adult age 18 or older
  - Unmarried (some exceptions)
  - Has a disability that meets the Social Security Act standard and has not worked above SGA
  - Disability began prior to age 22
  - Has a parent receiving Social Security retirement or disability benefits, or who was insured for Social Security and is deceased
- Uses the term “child” because it is paid based on parent’s Social Security earnings record,

\* Designates *relationship*, not *age*.



# Social Security Disability Standard

- Medically determinable physical or mental impairment
- Expected to last at least 12 months or result in death
  - **Does not** mean it has to last forever
- Unable to perform Substantial Gainful Activity or SGA – earnings of \$1,130 per month (2016) (\$1,820 for people who are blind)
  - **Does not** mean “no work”



# Social Security: One System

- One premium (payroll tax / FICA tax) pays for all 3 kinds of Social Security insurance
- Payroll contributions go into:

## DI Fund:

Disability Insurance  
Trust Fund

## OASI Fund:

Old-Age and Survivors Insurance  
Trust Fund

- Benefits paid from:
  1. FICA / payroll taxes
  2. Fund reserves
  3. Interest



# Social Security Trust Funds

- Social Security today has large Trust Fund reserves
- Social Security can pay all promised benefits through 2034:
  - 2022: DI Trust Fund
  - 2035: OASI Trust Fund
- After 2034, Trust Funds can pay ~80% of promised benefits



# Strengthening Social Security

- Modest changes can make all of Social Security solvent for the next 75 years.
- Cuts in benefits or major changes in the structure of Social Security are not needed.
- Cuts would harm people with disabilities and their families.



# Supplemental Security Income (SSI)

## Social Security Act, Title XVI

- Modest monthly benefit for seniors and people with qualifying disabilities who have very low incomes and assets
- “Means-tested”:
  - 2016 federal payment standard (max. benefit):
    - \$733 / month (individual)
    - \$1,100 / month (couple)
  - Asset limits: \$2,000 (individual); \$3,000 (couple)



# SSI Basics (cont.)

- Benefits paid from general revenues
- Same disability definition as Social Security
- Beneficiaries typically eligible for Medicaid
- Benefits available on the basis of a disability to adults as well as minor children
- Many work incentives



# Improvements Needed

- Increase the substantial gainful activity (SGA) level
- Increase the SSI asset limits and income exclusions
- Eliminate marriage penalties
- Eliminate 2-year wait for Medicare (Title II)
- Many more...





A graphic with a blue background featuring a grid pattern and a glowing blue sphere at the top center. Below the sphere are two large, stylized white wings. The word "Medicaid" is written in a large, white, serif font, and the word "Basics" is written in a large, white, sans-serif font below it.

# Medicaid Basics

AAIDD | The Arc | AUCD | NACDD | SABLE | UCP



# Medicaid



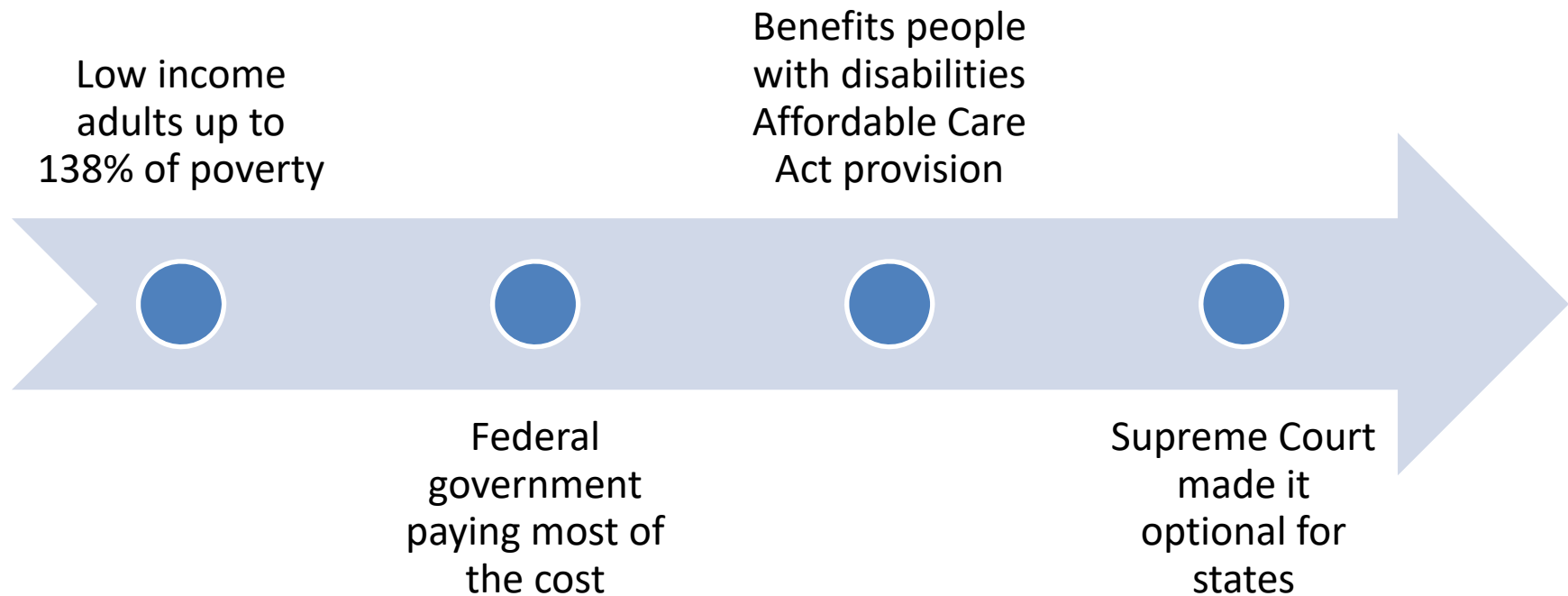
- Is major part of health care system
- Provides health care and long term supports and services
- Federal and state partnership
- Entitlement for individuals and states
- “Don’t Cut Our Lifeline”

# Eligibility

- Federal government sets minimum
- 77.6 million people in FY 2014, including:
  - About 9 million people with disabilities who are not elderly
  - Low-income children and their parents
  - pregnant women
  - people aged 65 and older
  - low income adults without children (in some states only)

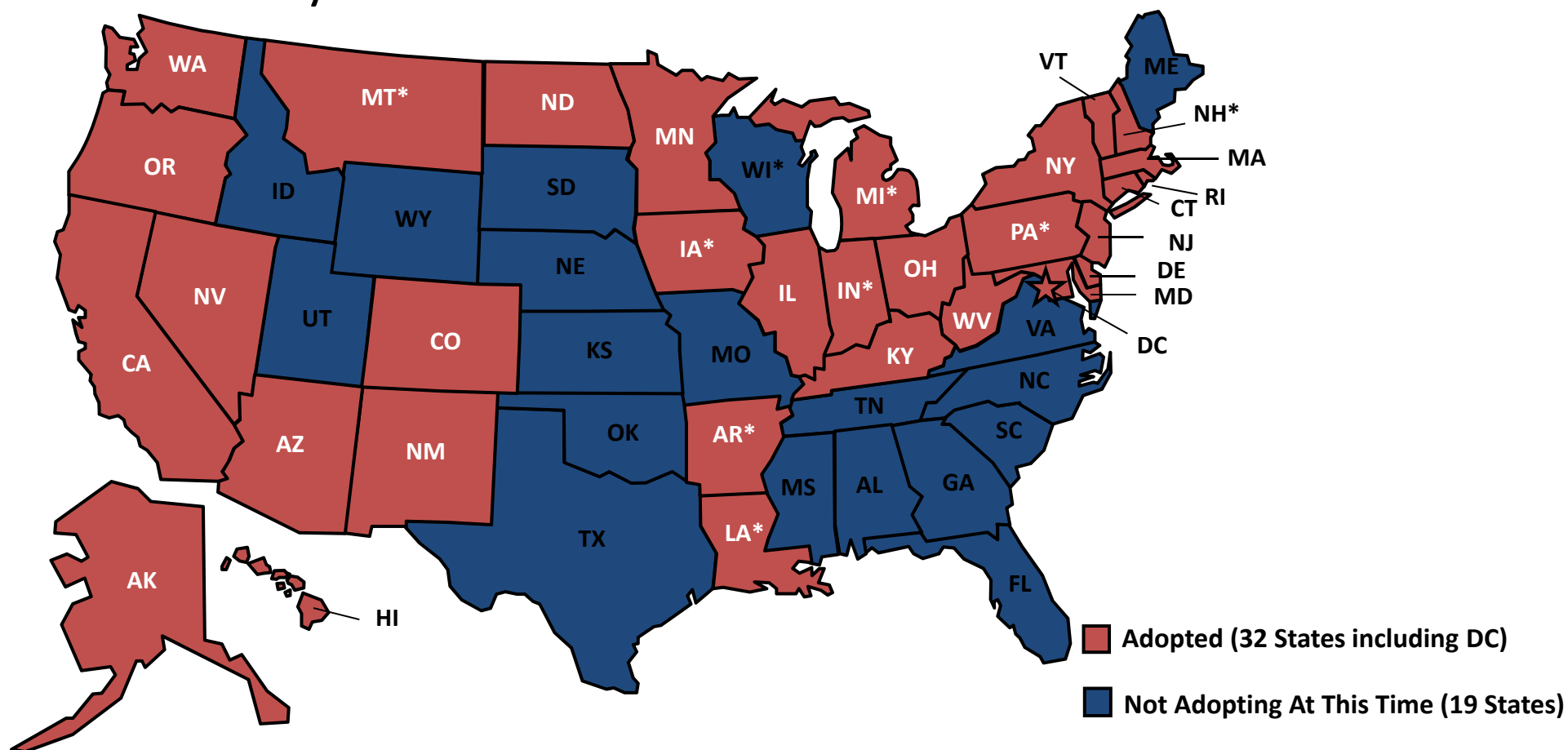


# Medicaid Expansion



# Current Status of State Medicaid Expansion Decisions

## Kaiser Family Foundation



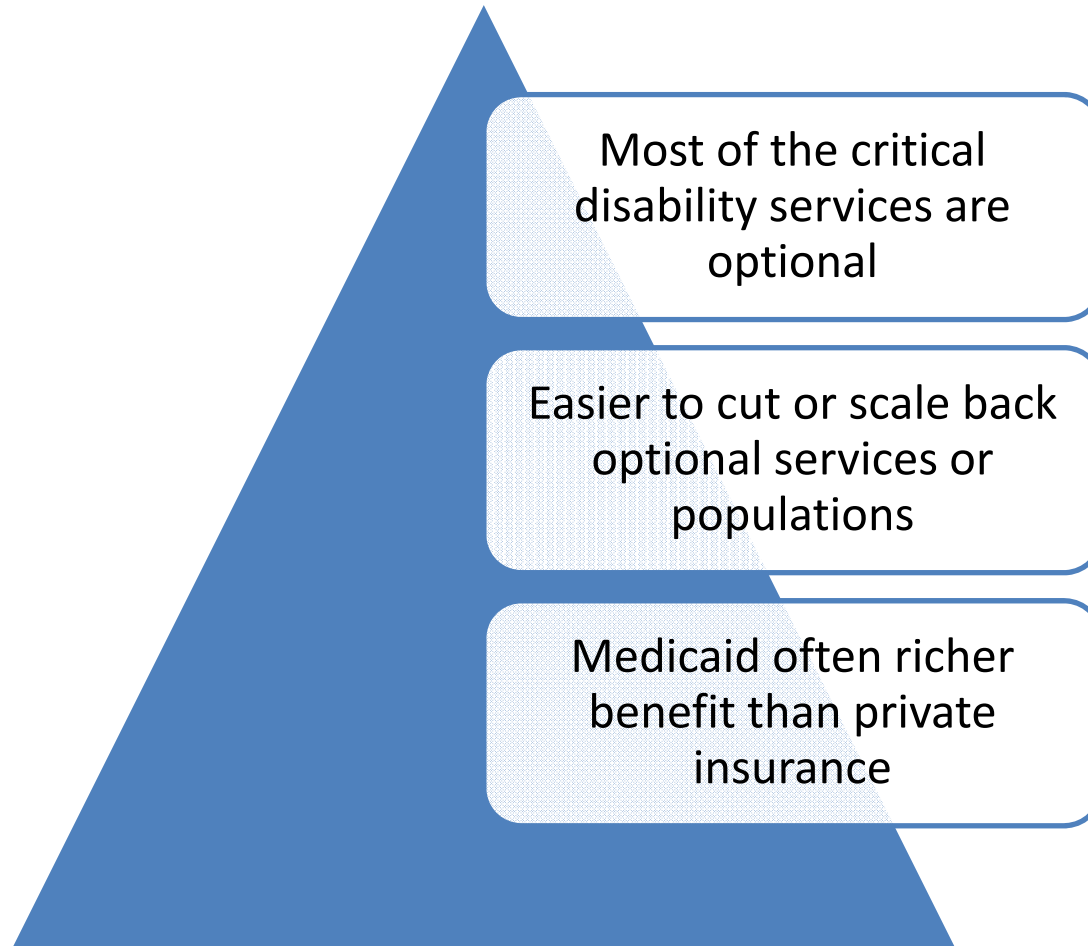
NOTES: Current status for each state is based on KCMU tracking and analysis of state executive activity. \*AR, IA, IN, MI, MT, NH and PA have approved Section 1115 waivers. Coverage under the PA waiver went into effect 1/1/15, but it has transitioned coverage to a state plan amendment.

# Mandatory Medicaid Services

- Inpatient hospital services
- Outpatient hospital services
- Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) (for kids)
- **Nursing facility services\***
- Home health services
- Physician services
- Rural health clinic services
- Federally qualified health center services
- Laboratory and X-ray services
- Family planning services
- Nurse Midwife services
- Certified Pediatric and Family Nurse Practitioner Services
- Freestanding Birth Center services
- Transportation to medical care
- Tobacco cessation counseling for pregnant women
- Tobacco Cessation



# Optional Services



# Optional Medicaid Services

- Prescription drugs
- Clinic services
- Physical therapy
- Occupational therapy
- Speech, hearing and language disorder services
- Respiratory care services
- Other diagnostic, screening, preventive and rehab services
- Podiatry services
- Optometry services
- Dental services
- Dentures
- Prosthetics
- Eyeglasses
- Chiropractic services
- Private duty nursing services
- Personal care
- Hospice
- Case management
- Services for Individuals Age 65 + in an IMD
- Other services approved by the Secretary
- TB Related Services
- Inpatient psychiatric services for individuals under age 21
- Services in ICF/ID
- Home and Community-Based Waivers – 1915(c)\*
- State Plan Home and Community Based Services -1915(i)\*
- Self-Directed Personal Assistant Services - 1915 (j)\*
- Community First Choice Option - 1915 (k)\*





# Access to Long Term Services and Supports (LTSS)

- ICF/HCBS optional
- Standard for “institutional level of need” set by each state
- May qualify in one state but not in another “no portability”
- May have different income requirements
- States may have multiple waivers for different populations and purposes



# Section 1915 (c) waivers

Home and community based services as alternative to institutional care

Services include case management, home health aid, personal care, etc.

Can be targeted to specific disabilities

May impose enrollment caps

Must be cost neutral



# Section 1115 Waivers

Research and Demonstration Projects

States can waive certain provisions of the Medicaid statute

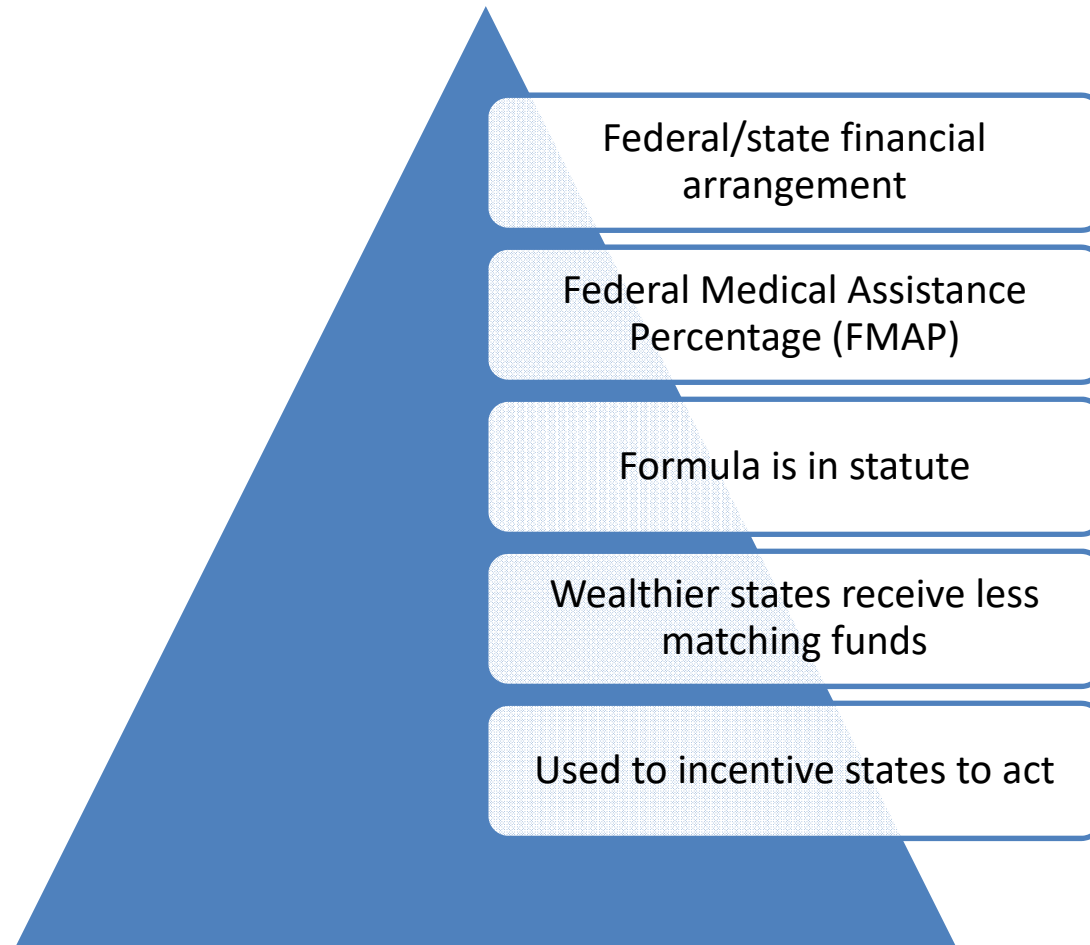
Usually broad changes

Experimental

Achieve savings



# Financing



# Managed Care

- Managed Care organizations cover 70% of beneficiaries
- Historically people with disabilities and LTSS excluded
- Children with special health care needs cannot be mandatorily enrolled in managed care
- Experiments are moving fast
- Numerous concerns



# Work Requirements

- States have tried in 1115 waivers
- Congress discussing
- Problematic proposal
- Defining disability and who would be exempt
- Employment support versus requirement to work



# Threats to Medicaid

Cutting the funding

Removing the entitlement

Block Grants/Flexible State Allotments

Repeal of the Medicaid expansion

Per Capita Caps



# Medicaid Per Capita Caps

- Limit federal spending.
- Apply to the entire program
- OR different caps for different populations
- Shortfalls in funding seem unavoidable
- Conflict between beneficiary groups
- Consumer protections, regulations, checks in system gone





# Medicaid Block Grant

- Many of the same effects as per capita cap
- Limit federal funding
- Less accountability
- Inability to adjust to economic conditions
- Easier to cut
- Doesn't affect costs of health care services
- Ignores aging population and impact on health system.

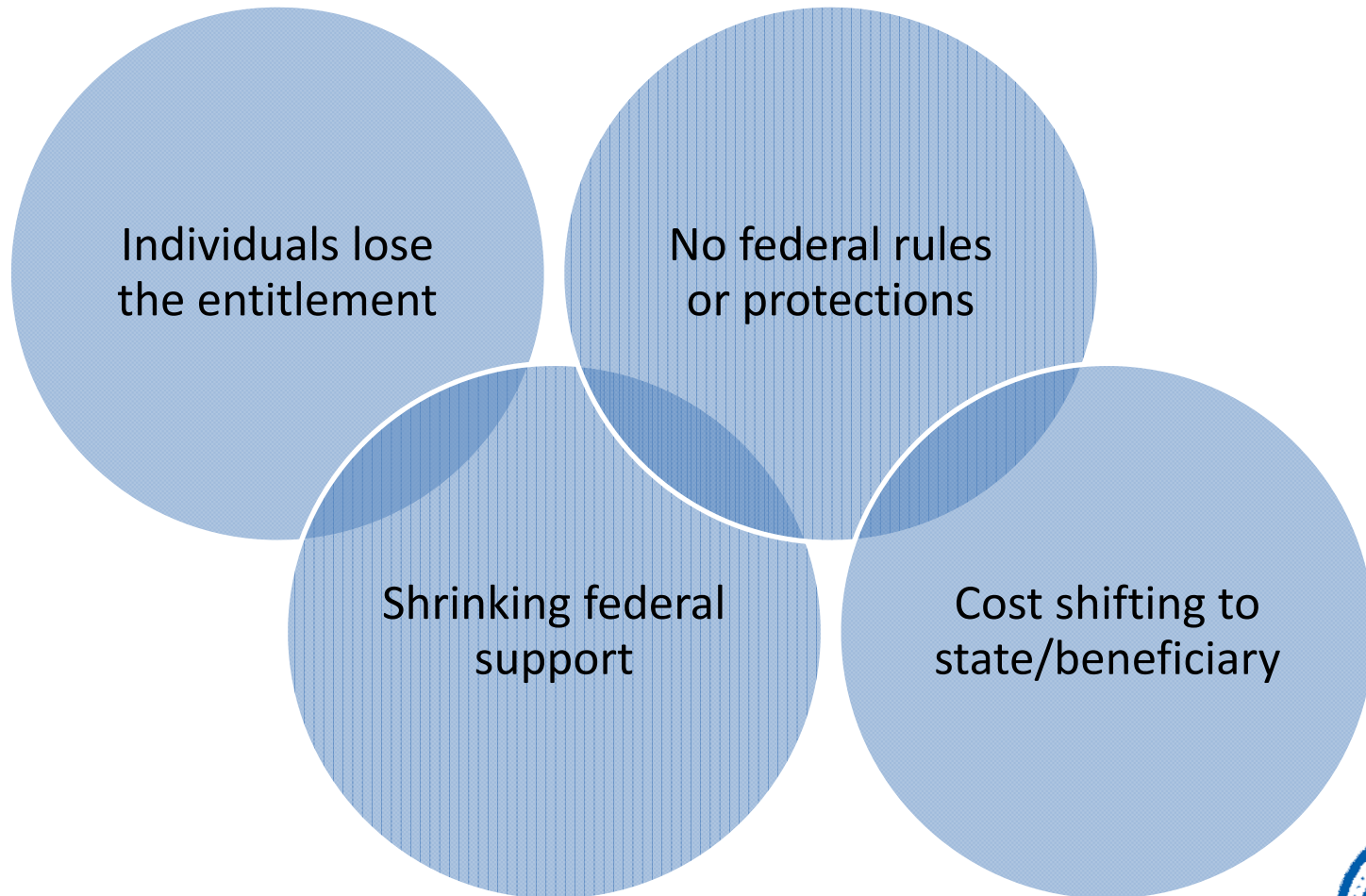


# Repeal of Medicaid Expansion

- 32 states affected
- Millions could lose health coverage
- Some proposals go further
  - Remove increased FMAP for Community First Choice
  - Other costs



# Possible Effects of Threats



# Key Message to Congress

Preserve

Medicaid

Medicare

Social Security & SSI



# A Last Thought

Key is telling your story--what Medicaid means to you

Members of Congress need to know that constituents care about these programs

Understanding the law, regulation, policies, procedural moves is **nice** but not **critical**

