Basics
Income Maintenance

Means-Tested

Supplemental Security Income (SSI)
Title XVI

Earned Through Work Credits

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

Health Coverage

Medicaid
Title XIX

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 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 $1,090 per month (2015) ($1,820 for people who are blind)
  • Does not mean “no work”
Social Security Act, Title II: Old-Age, Survivors, and Disability Insurance Benefits

Retirees & Dependents: 74%
Survivors: 10%
Disabled Workers & Dependents: 16%

Percent of total Social Security benefits paid.
Social Security

• 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

• Same structure and benefit formula for 3 programs
  – Benefit levels based on worker’s earnings history / prior contributions
  – Quarters of coverage/work credits
Social Security Disability Benefits

• Guaranteed monthly benefit
• Adjusted annually, as necessary, for inflation
• Higher replacement rate for lower income earners
• No asset (resource) limits
• Earned income is limited to substantial gainful activity (SGA) level
  – Numerous work incentives allow work above SGA level (too complex for this discussion)
• Eligibility for Medicare – 2-year wait for beneficiaries with disabilities
Social Security
Disabled Adult Child (DAC) Benefit

• About 1 million beneficiaries receive an average DAC benefit of $735 /month (Dec. 2013)

• Eligibility:
  – Adult age 18 or older
  – Unmarried (some exceptions)
  – Has a disability that meets the strict Social Security Act standard and began prior to age 22

• Uses the term “child” because it is paid based on parent’s Social Security earnings record – designates relationship, not age. Triggered by parent’s death, retirement, or disability.
Social Security Trust Funds

• Title II OASDI benefits are paid out of the OASI and DI Trust Funds – NOT general revenues

• Trust Funds are financed by FICA (payroll) taxes (Federal Income Contributions Act)

• DI Trust Fund expected to be depleted sooner than OASI Trust Fund – end of 2016

• DI will be able to pay only 80 percent of promised benefits
Only Modest Changes are Needed

• Congress could reallocate between OAS and DI Trust Funds.
• Modest changes can make all of Social Security solvent for the next 75 years.
• Major cuts in benefits or major changes in the structure of Social Security are not needed.
• Major cuts will harm people with disabilities and their families.
Supplemental Security Income (SSI) Social Security Act, Title XVI

• Provides a modest monthly benefit to seniors and people with severe disabilities who have very low incomes and assets - “means-tested”:
  – 2014 federal payment standard (maximum benefit): $733 / month (individual); $1,100 / month (couple)
  – Asset limits: $2,000 (individual); $3,000 (couple)
Supplemental Security Income, SSI (cont.)

- Benefits are paid from general revenues
- Same disability definition as Social Security
- Beneficiaries typically eligible for Medicaid
- Work incentives encourage beneficiaries to work
Improvements are 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…
Medicaid Basics

- Provides health and Long Term Services and Supports to low income populations.
- Currently covers over 70 million low-income Americans including **10 million non-elderly people with disabilities**
- Individuals who are eligible receive the benefit-entitlement
- Different in every state
Medicaid Basics

• Federal government sets minimum eligibility.
• States can expand eligibility.
• States spend a certain amount of money and receive a federal “match”
  • Average match:

$1 state : $1.32 federal
Medicaid Basics

• Medicaid law defines what states:
  – must do (mandatory)
  – can choose to do (optional)
  – cannot do

• Medicaid regulation provides:
  – Consumer protections
  – Home and community based direction
  – Standards of care
Medicaid Populations

Before the Affordable Care Act

• Very Low income parents
• Low income pregnant women
• Very low income children
• Very low-income individuals with disabilities who qualify for cash assistance under the SSI program* (a few states have different criteria)
• Low income people 65 and older
Medicaid Populations

• About 3/4 of beneficiaries are children and working parents
• 1/4 are people with disabilities and the elderly
• 2/3 of expenditures are for people with disabilities and the elderly
Medicaid Populations

- Medicaid Expansion in the ACA
- Optional due to the Supreme Court
- Up to 138% of poverty ($16,245 for one in 2015)
- Adult coverage
- 100% federal match till 2016
- 90% in 2020 and future
Status of Medicaid Expansion Decisions—Kaiser Family Foundation

Adopted (29 States including DC)
Adoption under discussion (6 States)
Not Adopting At This Time (16 States)

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 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)*
Optional Services

Most of the critical disability services are optional.

Easier to cut or scale back optional services or populations.

Medicaid often richer benefit than private insurance.
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
Medicaid and CHIP

• The Children’s Health Insurance Program (CHIP) --established 1997--provides:
  – Health coverage to eligible children, through both Medicaid and separate CHIP programs.
  – Administered by states, according to federal requirements.
  – Jointly funded by states and the federal government.
# Medicaid and CHIP

1. Medicaid expansion (seven states, DC and five territories)

2. Separate Child Health Insurance Program (17 states)

3. Combination of the two approaches (26 states)
**Medicaid**

- Supplemental Security Income (SSI)
- Federal/State
- Low income

**Medicare**

- Social Security Disability Insurance (SSDI)
- Federal
- Some extra help for low income beneficiaries
Medicaid expenditure & revenue to states

<table>
<thead>
<tr>
<th>Category</th>
<th>Total State Spending</th>
<th>State General Funds</th>
<th>Federal Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid</td>
<td>$1.64 Trillion</td>
<td>$654.8 Billion</td>
<td>$526.2 Billion</td>
</tr>
<tr>
<td>Elementary &amp; Secondary Education</td>
<td>46.6%</td>
<td>35.3%</td>
<td>10.8%</td>
</tr>
<tr>
<td>Other</td>
<td>45.0%</td>
<td>44.2%</td>
<td>44.2%</td>
</tr>
</tbody>
</table>

Report (data for Actual FY 2012.)
TOTAL FEDERAL SPENDING IN FY 2013 = $3.455 Trillion
(in billions)

- Social Security: $808
- Medicare: $492
- Medicaid: $265
- Interest: $221
- Other: $521
- Non Defense: $522
- Defense: $626

Includes all other disability-related programs

Threats to Medicaid

- Cutting the funding
- Removing the entitlement
- Block Grants/Flexible State Allotments
- Repeal of the Medicaid expansion
- Per Capita Caps
Possible Effects of Threats

- Individuals lose the entitlement
- No federal rules or protections
- Shrinking federal support
- Cost shifting to state/beneficiary
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