



Groups Deemed to be Receiving SSI for Medicaid Purposes

Technical Assistance Series
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Disabled and Elderly Health Programs Group
Center for Medicaid and State Operations

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Dear Colleague:

We have received a number of requests for clearer explanation of the four Medicaid eligibility groups for individuals who are deemed to be receiving title XVI, Supplemental Security Income (SSI) benefits and State Supplementary Payments (SSP) for purposes of Medicaid eligibility. The purpose of this document is to address this confusion by providing a straight-forward explanation of each group. No new policy is intended, only a clearer understanding.

Each of the groups deemed to be receiving SSI/SSP for purposes of Medicaid are briefly described below. The enclosure to this letter provides additional detail and includes basic eligibility criteria.

Groups deemed to be receiving SSI/SSP for Medicaid Purposes

- A. Section 503 (Pickle Amendment Group):** An individual who would continue to be eligible for SSI/SSP benefits if the total amount of the title II (OASDI) Cost-of-Living Adjustments (COLAs) received since losing SSI benefits when also receiving title II (OASDI) benefits was deducted from income.
- B. Disabled Widow(er)s:** A widow(er) with a disability who has been continuously entitled to widow(er)s insurance based on disability since January, 1984 and who would continue to be eligible for SSI/SSP benefits but for a 1983 change in the Title II actuarial formula and who applied for Medicaid continuation under this section no later than July 1, 1988.
- C. Disabled adult child:** An adult with a disability which began before age 22 who would continue to be eligible for SSI/SSP benefits but for the receipt or increase in title II disabled adult child benefits.
- D. Early Widow(er)s:** A widow(er) with a disability receiving widow(er)s benefits under title II or who receives other title II benefits but is eligible to receive title II widow(er)s benefits and who would continue to be eligible for SSI/SSP benefits but for receiving early Title II widow(er)s benefits or an increase in those benefits and who is not yet eligible for Medicare Part A benefits.

If you have questions about these groups, please contact one of the following CMS representatives: Roy Trudel at 410-786-3417 (e-mail rtrudel@cms.hhs.gov) or Karen Tritz at 410-786-0789 (e-mail ktritz@cms.hhs.gov).

Sincerely,

/s/

Thomas E. Hamilton, Director
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Groups Deemed to Be Receiving SSI for Medicaid Purposes: Eligibility Criteria and Processes

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To provide a common framework for this document, Part I provides background material on the Medicaid eligibility process and the transmission of data from the Social Security Administration to states for the Medicaid determination. Part II describes the four eligibility groups in detail.

I. BACKGROUND

A. CLARIFICATION OF TERMS AND SCOPE

The terms “SSI program” and “SSI benefits” are used throughout this letter. By that we mean the individual may either be receiving cash benefits under Title XVI or be a 1619(b) participant (receiving Medicaid benefits, but not cash benefits). Individuals in either of these categories are considered to be receiving SSI benefits and are eligible to participate in the groups described in this letter.

By State Supplementary Payment (SSP) we mean individuals who receive a cash benefit in addition to a federal SSI benefit which can be administered by the state or by the federal governments; see §1905(j) of the Social Security Act which defines SSP for purposes of Medicaid. In some cases, individuals may receive only the State Supplementary Payments (SSP). In both cases, these individuals are eligible for the Medicaid continuation groups described in this letter, and the state should have eligibility processes to assess whether these individuals would be eligible for one of these groups.

B. MEDICAID ELIGIBILITY GROUPS

In providing Medicaid to individuals who are receiving or deemed to be receiving SSI, states fall into one of three general categories:

1634(a) States (referring to Section 1634 of the Social Security Act) means states have a contract with the Social Security Administration to determine eligibility for Medicaid at the same time a determination is made for receipt of SSI benefits. These 32 states and the District of Columbia also use the same Medicaid eligibility criteria for determining for their aged, blind and disabled SSI recipients as are used for the SSI program.

SSI-criteria States means states that use the same Medicaid eligibility criteria for their aged, blind, and disabled SSI recipients as are used for the SSI program, but require that these individuals apply to the state separately from their application for SSI to determine their Medicaid eligibility based upon that application. There are 7 states and the Commonwealth of Northern Mariana Islands that are categorized as SSI-criteria States.

209(b) States means states that use more restrictive Medicaid eligibility criteria for their aged, blind and disabled recipients than are used in the SSI program in one or more eligibility areas. There are 11 states that are categorized as 209(b) States.

C. MEDICAID DETERMINATIONS FOR STATES THAT USE SSI CRITERIA

If the agency uses SSI criteria in determining eligibility (i.e. 1634 and SSI-criteria States), it must disregard all of the title II benefit (for the Disabled Adult Children and Early Widow(er)s groups only) or the relevant increases in that benefit (for all four groups) provided the individual also meets the other Medicaid eligibility criteria for SSI and the criteria described below in Part II.

D. MEDICAID DETERMINATIONS FOR STATES THAT USE MORE RESTRICTIVE CRITERIA THAN SSI

If the agency uses more restrictive eligibility requirements than are used by the SSI program (i.e. 209(b) States), it must provide Medicaid to individuals discussed in this letter using the same eligibility criteria basis as Medicaid is provided to individuals who receive SSI benefits. For all groups discussed in this letter except Group B: Disabled Widow(er)s, the state has the option of disregarding part, all, or none of the title II benefit or increases in that benefit that make the individual ineligible provided that the same amount is disregarded for all members of the group.

For individuals eligible for the Disabled Widow(er)s group, the state must disregard all of the Title II benefit or increases in that benefit that would make the individual ineligible.

If an individual incurs enough medical expenses to reduce his or her income to the state's financial eligibility standard for categorically needy, the agency must cover the individual as categorically needy.

E. SOCIAL SECURITY ADMINISTRATION (SSA) NOTIFICATION

The Social Security Administration transmits to states electronic files of individuals receiving title II and SSI. One of these files is the state data exchange transmission or SDX. The SDX generates a record for an individual to the state when there is a change in the SSI record. If that record involves a loss of benefits due to a receipt or increase in Title II, the basic information is included on the SDX record or may be inferred by comparing the latest record with a previous record. If the state has an agreement with SSA for Medicaid eligibility determinations (a 1634 State), the Medicaid information provided to the state may also include a specific, targeted designation for certain groups for Medicaid continuation provided the individual

continues to meet other Medicaid eligibility criteria. See Part II for a description of those designations for the disabled adult children and early widow(er)s group.

Once an individual becomes ineligible for SSI, there is no SSA record update via the SDX transmission unless an appeal is filed. When the SSI record terminates (usually the 13th month of inactivity), the state should also receive an SDX record.

Information regarding SSI State Supplemental payments are included on the SDX transmission for 1634 States and for states who have federally-administered State Supplemental payment.

II. GROUPS DEEMED TO BE RECEIVING SSI FOR MEDICAID PURPOSES

Described below is specific information on each of the eligibility groups that are deemed to be receiving SSI/SSP for Medicaid purposes.

A. Section 503

<p>Also Referred to As: Pickle Amendment Group</p>
<p>Statutory/Regulatory Citation: §503 P.L. 94-566 42CFR 435.135 1935(a)(5)(E) of the Social Security Act</p>
<p>Eligibility Group Requirements: An individual who</p> <ul style="list-style-type: none"> ▪ Is receiving Title II; ▪ Lost SSI/SSP but would still be eligible for those benefits if the total amount of the Title II cost-of-living increases received since losing SSI/SSP benefits while also entitled to title II benefits was deducted from income. Cost-of-living increases include the increases by the individual, spouse or financially responsible family member; and ▪ Was eligible for and receiving SSI or a state supplement concurrently with Title II for at least one month after April 1, 1977.
<p>SSA Notification:</p> <ul style="list-style-type: none"> ▪ The state data exchange (SDX) transmission will denote that the individual has lost eligibility for SSI as a result of excess income (code NO1). It does not, however, specify that the ineligibility is a result of the COLA. ▪ States may need to do additional programming of available data files to identify individuals who may qualify for Medicaid under Section 503. ▪ Some states have also requested an additional data file (503 leads file) which contains additional specific information identifying this group. ▪ The individual would not automatically receive continued coverage and must apply separately to receive that continued coverage.

B. Disabled Widow(er)s

Also Referred to As: Additional Reduction Factor (ARF) Widow (er)s
Statutory/Regulatory Citation: 1634(b) of the Social Security Act 1935(a)(2)(C) of the Social Security Act 42CFR 435.137
Eligibility Group Requirements: Widows or widowers and some unmarried, divorced spouses who: <ul style="list-style-type: none">▪ Have a disability;▪ Were receiving SSI/SSP benefits in December, 1983 and lost SSI/SSP benefits in January 1984 due to a statutory elimination of an additional benefit reduction factor for widow(er)s before attainment of age 60 who have been continuously entitled to widow(er)s insurance based on disability since January 1984; and▪ Applied for benefits under this group no later than July 1, 1988; or the later date for 209(b) States established under the court order in <i>Darling v. Bowen</i>, 685 F.Supp.1125.▪ Would continue to be eligible for SSI/SSP benefits if he or she had not received the increase in Title II benefits.
SSA Notification <ul style="list-style-type: none">▪ Information about this group was provided to the states via SDX in January, 1984.▪ No information about this group is currently sent to states.▪ States may maintain information about this group on their own systems.

C. Disabled Adult Children (DAC)

Also Referred to As: Childhood Disability Beneficiaries (CDB)
Statutory/Regulatory Citation: 1634(c) of the Social Security Act 1935(a)(2)(D) of the Social Security Act
Eligibility Group Requirements: An individual who was receiving SSI/SSP benefits and who meets the following: <ul style="list-style-type: none">▪ Is over the age of 18;▪ Has blindness or a disability which began before the age of 22;▪ The individual is entitled to Title II benefits on a parent's record due to the retirement, death or disability of a parent, and loses SSI/SSP due to receipt of that benefit or increases in that benefit; and▪ The individual would continue to be eligible for SSI/SSP in the absence of the Title II disabled adult child's benefit or such increases to that benefit.

SSA Notification

- When an individual loses SSI eligibility, an SDX record is transmitted to the states reflecting the loss of that eligibility (code NO1). The information transmitted will also show a concurrent new entitlement or increase in Social Security benefits.
- For 1634 States, a Medicaid eligibility designation of “D” is also transmitted via SDX. This is a unique code identifying this group.
- For non-1634 States (both 209(b) and SSI criteria), no specific Medicaid eligibility designation is transmitted; however, this group can be inferred through additional state systems programming using other transmitted information.
- The individual is notified in the SSI termination letter from the Social Security Administration that he or she may continue to be eligible for Medicaid coverage under this group. The individual should contact the Medicaid state agency for Medicaid continuation. Continued eligibility for the individual is not automatic in all cases.

D. Early Widow(er)s**Also Referred to As:**

COBRA Widow(er)s
Widow(er)s

Statutory/Regulatory Citation:

1634(d) of the Social Security Act
1935(a)(2)(E) of the Social Security Act
42CFR 435.138

Eligibility Group Requirements:

Widow(er)s and some surviving, divorced spouses who have a disability who were receiving SSI/SSP who:

- Lost SSI/SSP benefits due to a mandatory application for and receipt of Title II benefits;
- Are not yet eligible for Medicare Part A;
- Are at least age 50, but have not yet attained age 65; and
- Would continue to be eligible for SSI/SSP benefits if they were not receiving the Title II benefits.

SSA Notification

- When an individual loses SSI eligibility, an SDX record is transmitted to the states reflecting the loss of that eligibility (code NO1). The information transmitted will also show a concurrent new entitlement or increase in Social Security benefits.
- For 1634 States, a Medicaid eligibility designation of “W” is also transmitted via SDX. This is a unique code identifying this group.
- For non-1634 States (both 209(b) and SSI criteria), no specific Medicaid eligibility designation is transmitted. However, this group can be inferred through additional state systems programming using transmitted information.
- The individual will be notified in the SSI termination letter from the Social Security Administration that he or she may continue to be eligible for Medicaid coverage under this group. The individual should contact the Medicaid State agency for continued Medicaid coverage. Continued eligibility for the individual is not automatic in all cases.