

Social Security, SSI, and Medicaid Basics

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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

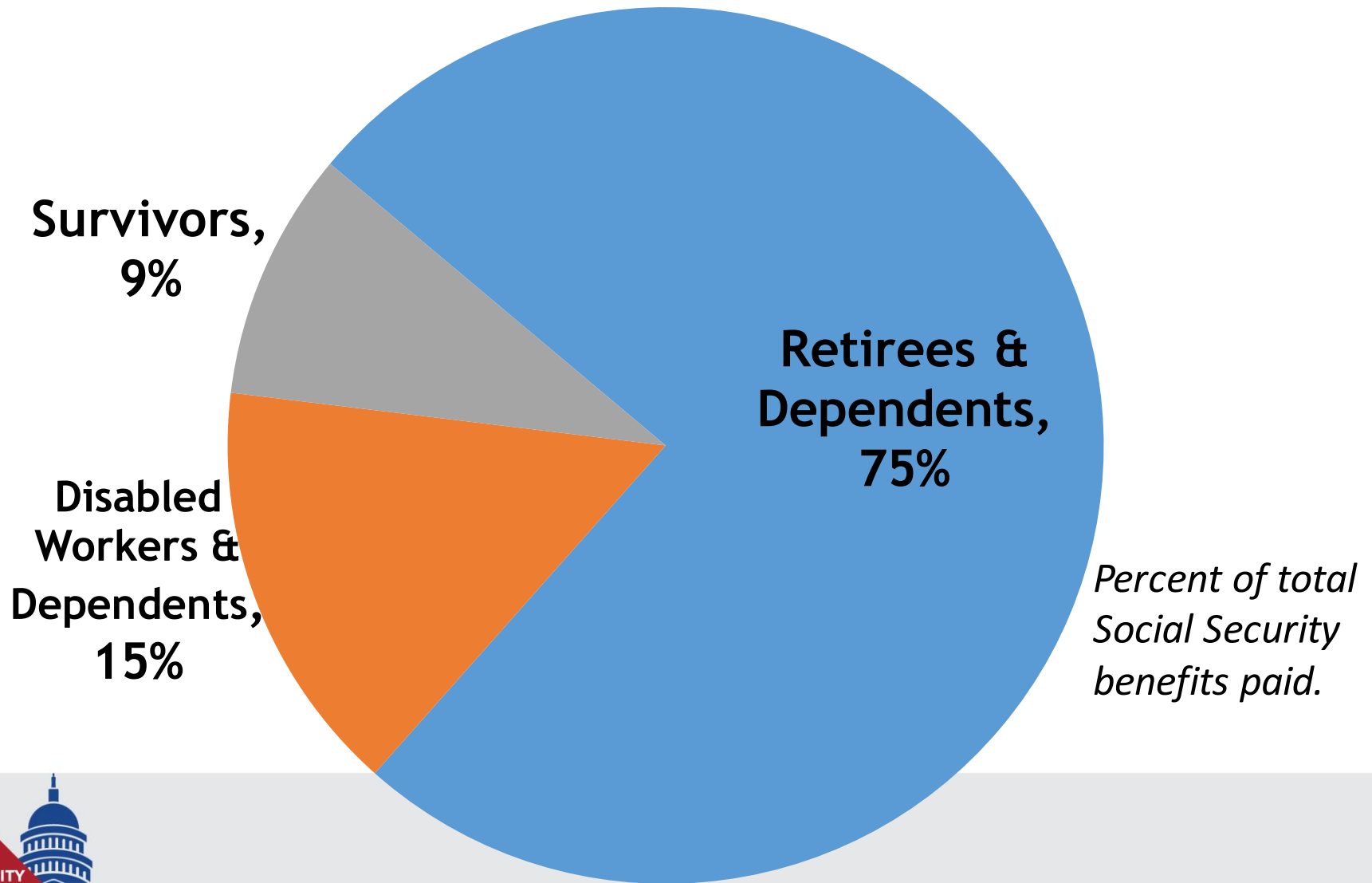
“...security of the men, women, and children of the Nation against certain hazards and vicissitudes of life.”

-- 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

- 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 of \$827 /month (Dec. 2016)
- 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 \$1,220 per month (2019) (\$2,040 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 Fund reserves - \$2.9 Trillion
- Social Security can pay all promised benefits through 2034:
 - 2032: DI Trust Fund
 - 2035: OASI Trust Fund
- After 2034, Trust Funds can pay ~75% 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)

- A “supplement” to Social Security
- Basic benefit for seniors & people with disabilities who have very low incomes and assets, but aren’t insured for Social Security or get a low benefit
- “Means-tested”:
 - 2019 federal payment standard (max. benefit):
 - \$771 / month (individual)
 - \$1,157 / 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

Possible Attacks on SSI

- Block grants
- Sliding scale for households
- Eliminate children's SSI
- Provide services to children, not benefits
- & other threats!

**Cuts to SSI
Benefits!**

The Road Ahead

- Advocacy to protect SSI...
- And to call for enhancements:
 - Increase the substantial gainful activity (SGA) level
 - Increase the SSI asset limits and income exclusions / also improve ABLE
 - Eliminate marriage penalties
 - Eliminate 2-year wait for Medicare (for Title II)
 - And more!



Medicaid Basics

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

Low income
adults up to
138% of
poverty

Benefits
people with
disabilities
Affordable
Care Act
provision

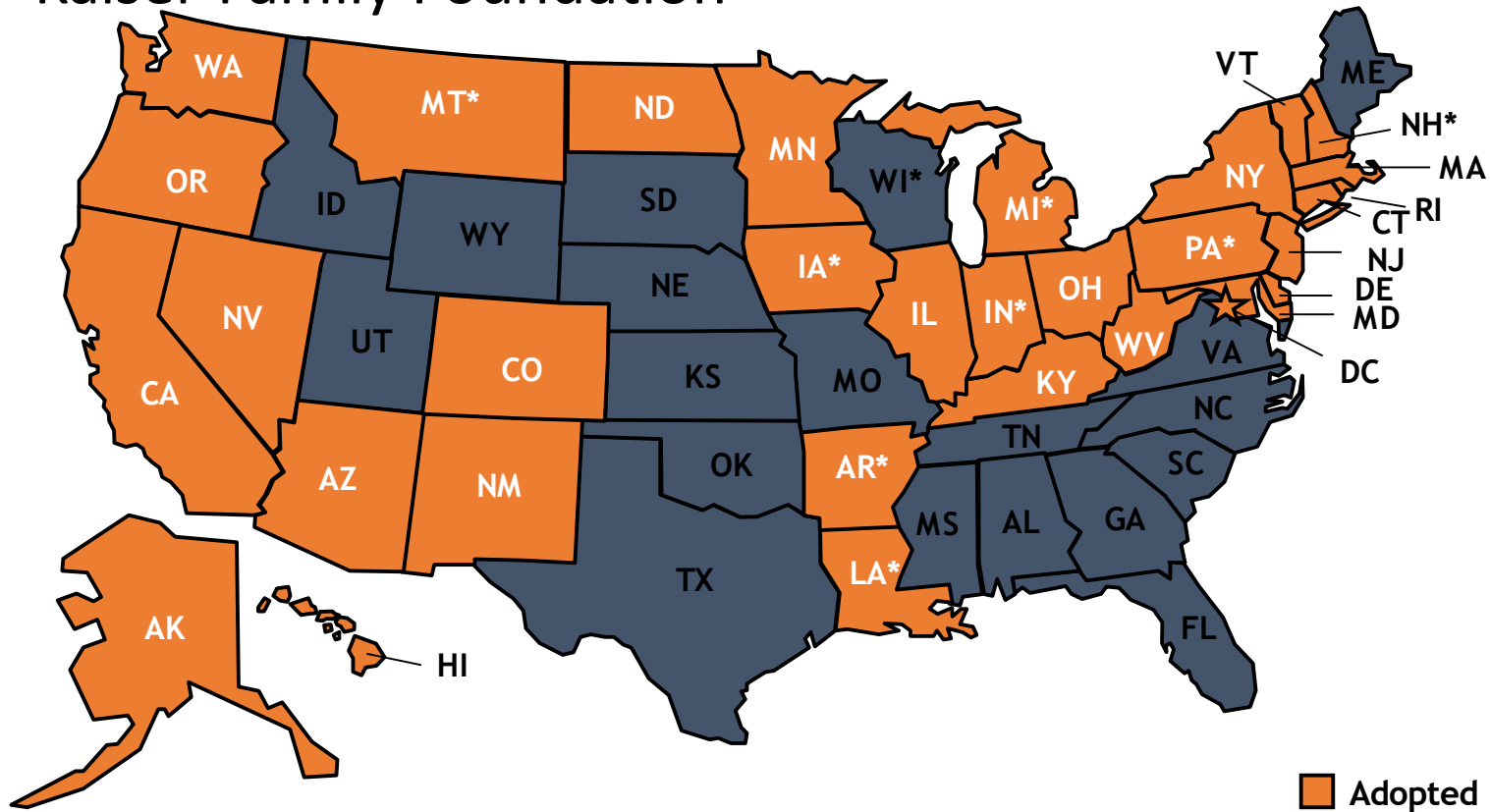
Federal
government
paying most
of the cost

Supreme
Court made it
optional for
states



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.

■ Adopted (37 States including DC)

■ Not Adopting At This Time (14 States)



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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

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

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

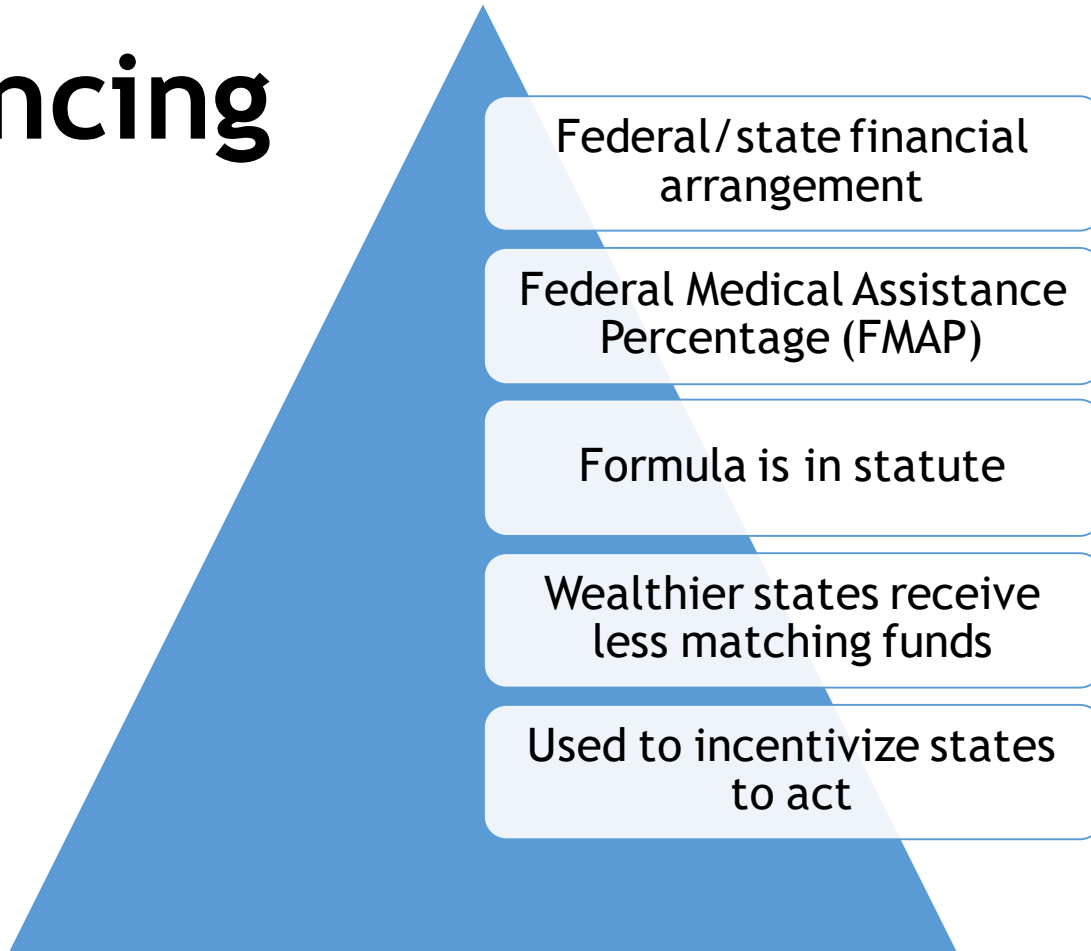
States can waive certain provisions of the Medicaid statute

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

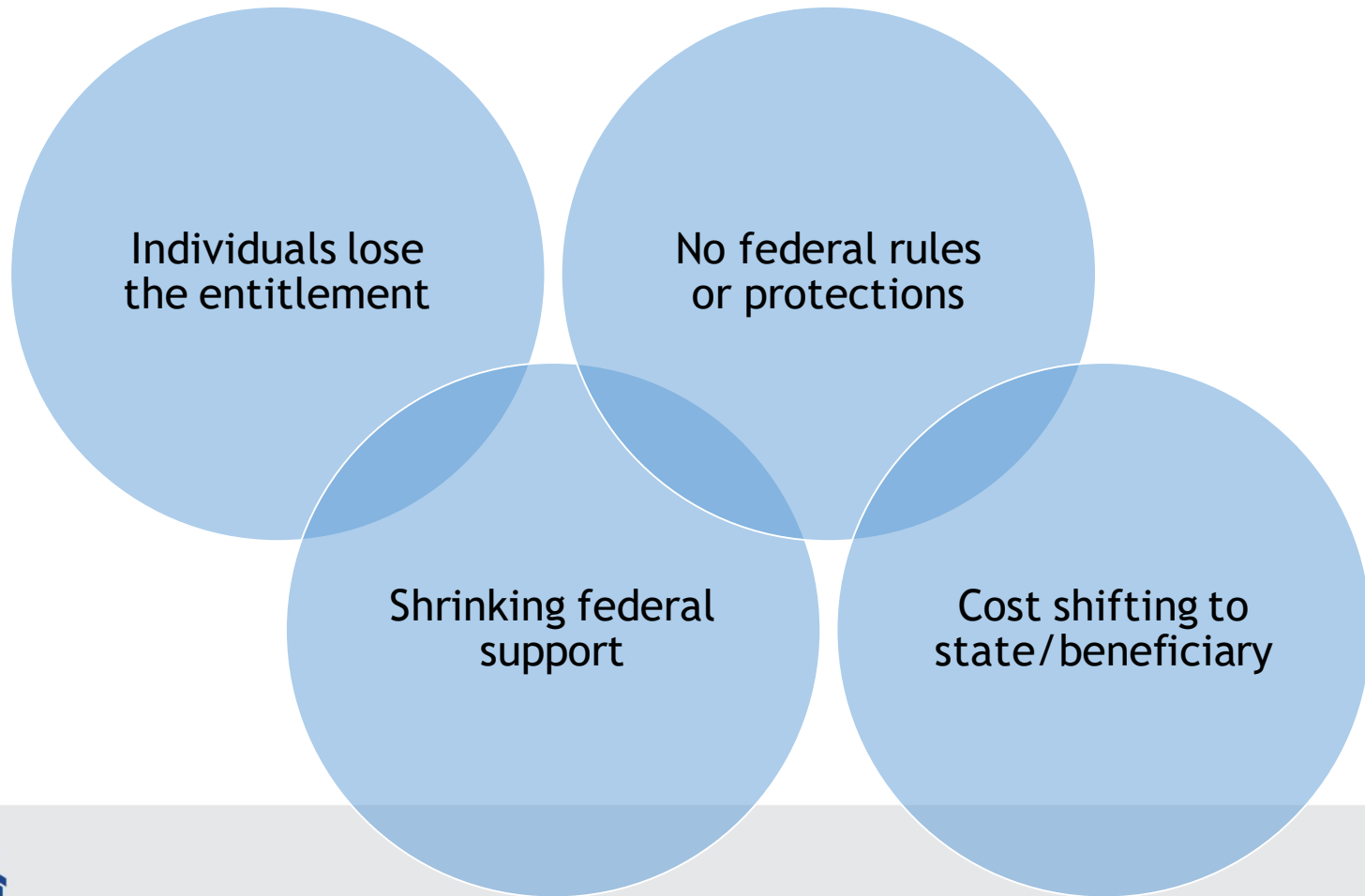
Medicaid Block Grant

- 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

- 37 states (including DC) 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**