

# Medicare and Medicaid Employment Supports

Did you know that as long as you receive a Social Security benefit (SSI/SSDI) in any amount, you'll keep your Medicare or Medicaid?

Many people believe that they will automatically lose their Medicare or Medicaid as soon as they start working.

But working does not necessarily mean losing access to federal or state healthcare benefits because there are protections in place, called **Work Incentives**, that help people who work and receive disability benefits keep those important benefits.

Here we examine your healthcare "safety nets" according to the type of Social Security disability benefit you receive.



## Medicare-Related Work Incentives for People Who Receive Social Security Disability (SSDI) Benefits



After you have received SSDI benefits for 24 months, you are automatically enrolled in Medicare.<sup>1</sup>

The **Trial Work Period (TWP)** is a Work Incentive that allows you to test your ability to work without affecting your benefits. During the first 9 months that you work in a rolling 5-year period, you continue to receive full benefits, **including Medicare**, if the waiting period has passed, regardless of how much you earn, as long as you report your work activity to Social Security and continue to have a disabling impairment.

## Medicare or Medicaid?

**Medicare** is a federal health insurance program for individuals age 65 or older; persons under age 65 who have a disability and have received SSDI benefits for 24 months; are of any age with End-Stage Renal Disease (ESRD) that requires dialysis or a kidney transplant or with Amyotrophic Lateral Sclerosis (ALS, also known as "Lou Gehrig's Disease"). It consists of four parts:

- Part A: Hospital Insurance (premium-free for most people)
- Part B: Medical Insurance (premium based on adjusted **gross income**)
- Part C: Medicare Advantage Plans (optional coverage for Medicare recipients who have Parts A and B that provides supplemental benefits through private insurance companies at an additional premium)
- Part D: Prescription Drug Plan (optional coverage through various private insurance companies; premiums and coverage vary). Low-income beneficiaries can get **Extra Help** paying for their Part D premiums by filing an application with Social Security.

**Medicaid** is a federal and state program that provides health coverage to millions of Americans with limited income and resources, including eligible people with disabilities. Medicaid is administered by states, according to federal requirements, and funded jointly by states and the federal government. Medicaid also offers benefits not normally covered by Medicare, including nursing home care and personal care services.

After the TWP ends, the **Extended Period of Medicare Coverage** (EPMC) begins. This Work Incentive provision, also known as **Continuation of Medicare Coverage** allows most beneficiaries, who have not medically improved, to continue their Medicare coverage for at least 93-months (more than 7 years) after the TWP ends, even if they no longer receive SSDI payments because they are working at the Substantial Gainful Activity level. These healthcare benefits will include:

- Premium-free Hospital Insurance (Part A).
- Supplemental Medical Insurance (Part B), if enrolled.
- Prescription Drug coverage (Part D), if enrolled.

After premium-free coverage ends due to income from work, you can buy continued Medicare (Parts A and B) by using another Work Incentive called **Medicare for People with Disabilities Who Work**. You are eligible if:

- You are not yet age 65.
- You continue to have a disabling impairment (you have not medically improved).
- Your Medicare stopped due to income from work.

If you qualify, your state may help you pay your Medicare premiums. In some cases, **Medicare Savings Programs** may also pay Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance) deductibles, coinsurance and copayments if you meet certain conditions, such as your age, the amount of income and resources you have and if you already receive medical assistance from your state.

Contact your **State Medicaid Program** to see if you qualify for a Medicare Savings Program in your state.

### What is substantial gainful activity?

Social Security uses the term “substantial gainful activity” (SGA) to describe a level of work activity and earnings. If you receive SSDI, Social Security uses SGA to decide if your eligibility for benefits continues after you return to work and complete your TWP. Social Security generally compares your monthly earnings to set amounts, known as **earnings thresholds**, to evaluate if your work activity is SGA.

## Medicaid-Related Work Incentives for People Who Receive Supplemental Security Income (SSI) Payments



Unlike Medicare, there is no waiting period for Medicaid. In most states, if you are approved for SSI, you will receive benefits automatically through Medicaid, as SSI’s income and asset limits mirror that of Medicaid’s. However, a few states require you to complete a separate application process for Medicaid benefits because those states make their own Medicaid determinations.

After you start working, your Medicaid coverage can continue, even if your earnings (alone or in combination with your other income) become too high to receive SSI. Under the **Continued Medicaid Eligibility** Work Incentive (Section 1619(B)), you may qualify for continued Medicaid coverage when your SSI payments stop if you:

- Have been eligible for an SSI benefit for at least one month.
- Continue to be disabled (have not medically improved).

- Meet all other **non-disability SSI requirements**, including the resources test.
- Need Medicaid in order to work.
- Have gross earned income (earnings before taxes and other deductions) that are below your state's threshold of eligibility<sup>2</sup>.

If your gross earnings are higher than your state's threshold amount, Social Security can calculate your individual threshold amount if you have:

- **Impairment-related work expenses.**
- **Blind work expenses.**
- A plan to achieve self-support (**PASS**).
- Publicly-funded attendant or personal care.
- Medical expenses that exceed the state per-capita amount.

In some states, through the **Medicaid Buy-In Program** you may be able to apply to buy Medicaid from the state Medicaid agency if you are disabled and no longer entitled to free Medicaid because you work. You may qualify if you:

- Meet the definition of "disabled" under the Social Security Act.
- Would be eligible for SSI payments if it were not for your earnings.

To see if your state has a Medicaid Buy-In program and if you qualify, contact your **State Medicaid Program**.

## Ticket to Work

Social Security's Ticket to Work (Ticket) Program supports career development for people ages 18 through 64 who receive Social Security disability benefits (SSDI/SSI) and want to work. The Ticket Program is free and voluntary.

It helps people with disabilities move toward financial independence and connects them with the services and support they need to succeed in the workforce.

If you have questions about how work will affect your healthcare benefits, please contact the **Ticket to Work Help Line at 1-866-968-7842 or 1-866-833-2967 (TTY)** Monday through Friday, 8 a.m. to 8 p.m. ET.

*Follow the Ticket program's Choose Work on social media!*



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