

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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SENATE BILL 119  
Health Care Committee Substitute Adopted 4/13/05

Short Title: Ticket to Work/Medicaid Eligibility.

(Public)

Sponsors:

Referred to:

February 14, 2005

A BILL TO BE ENTITLED

AN ACT TO EXPAND MEDICAID ELIGIBILITY TO INDIVIDUALS WHO QUALIFY UNDER THE FEDERAL TICKET TO WORK AND WORK INCENTIVES IMPROVEMENT ACT OF 1999, AS RECOMMENDED BY THE BLUE RIBBON COMMISSION ON MEDICAID REFORM.

The General Assembly of North Carolina enacts:

**SECTION 1.** Article 2 of Chapter 108A of the General Statutes is amended by adding the following new section to read:

**"§ 108A-54.1. Medicaid buy-in for workers with disabilities.**

(a) Title. – This act may be cited as the Health Coverage for Workers With Disabilities Act. The Department shall implement a Medicaid buy-in eligibility category as permitted under P.L. 106-170, Ticket to Work and Work Incentives Improvement Act of 1999. The Department shall establish rules, policies, and procedures to implement this act in accordance with this section.

(b) Definitions. – As used in this section, unless the context clearly requires otherwise:

(1) 'FPG' means the federal poverty guidelines.

(2) 'HCWD' means Health Coverage for Workers With Disabilities.

(3) 'SSI' means Supplemental Security Income.

(4) 'Ticket to Work' means the Ticket to Work and Work Incentives Improvement Act of 1999.

(c) Eligibility. – An individual is eligible for HCWD if:

(1) The individual is at least 16 years of age and is less than 65 years of age;

(2) The individual meets Social Security Disability criteria, or the individual has been enrolled in HCWD and then becomes medically improved as defined in Ticket to Work and as further specified by the Department. An individual shall be determined to be eligible under this section without regard to the individual's ability to engage in, or actual

1 engagement in, substantial gainful activity as defined in section 223 of  
2 the Social Security Act (42 U.S.C. § 423(d)(4)). In conducting annual  
3 redetermination of eligibility, the Department may not determine that  
4 an individual participating in HCWD is no longer disabled based  
5 solely on the individual's participation in employment or earned  
6 income;

7 (3) The individual's unearned income does not exceed one hundred fifty  
8 percent (150%) of FPG, and countable resources for the individual do  
9 not exceed the resource limit for the minimum community spouse  
10 resource standard under 42 U.S.C. § 1396r, and as further determined  
11 by the Department. In determining an individual's countable income  
12 and resources, the Department may not consider income or resources  
13 that are disregarded under the State Medical Assistance Plan's  
14 financial methodology, including the sixty-five dollar (\$65.00)  
15 disregard, impairment-related work expenses, student earned-income  
16 exclusions, and other SSI program work incentive income disregards;  
17 and

18 (4) The individual is engaged in a substantial and reasonable work effort  
19 (employed) as provided in this subdivision and as further defined by  
20 the Department and allowable under federal law. For purposes of this  
21 subsection, "engaged in substantial and reasonable work effort" means  
22 all of the following:

- 23 a. Working in a competitive, inclusive work setting, or  
24 self-employed.  
25 b. Earning at least the applicable minimum wage.  
26 c. Having monthly earnings above the SSI basic sixty-five dollar  
27 (\$65.00) earned-income disregard.  
28 d. Being able to provide evidence of paying applicable Medicare,  
29 Social Security, and State and federal income taxes.

30 The Department may impose additional earnings requirements in  
31 defining "engaged in substantial and reasonable work effort" for  
32 individuals who are eligible for HCWD based on medical  
33 improvement.

34 Individuals who participate in HCWD but thereafter become  
35 unemployed for involuntary reasons, including health reasons, shall  
36 have continued eligibility in HCWD for up to 12 months from the time  
37 of involuntary unemployment, so long as the individual (i) maintains a  
38 connection with the workforce, as determined by the Department, (ii)  
39 meets all other eligibility criteria for HCWD during the period, and  
40 (iii) pays applicable fees, premiums, and co-payments.

41 (d) Fees, Premiums, and Co-Payments. – Individuals who participate in HCWD  
42 and have countable income greater than one hundred fifty percent (150%) of FPG shall  
43 pay an annual enrollment fee of fifty dollars (\$50.00) to their county department of  
44 social services. Individuals who participate in HCWD and have countable income

1 greater than or equal to two hundred percent (200%) of FPG shall pay a monthly  
2 premium in addition to the annual fee. The Department shall set a sliding scale for  
3 premiums, which is consistent with applicable federal law. An individual with countable  
4 income equal to or greater than four hundred fifty percent (450%) of FPG shall pay not  
5 less than one hundred percent (100%) of the cost of the premium, as determined by the  
6 Department. The premium shall be based on the experience of all individuals  
7 participating in the Medical Assistance Program. Individuals who participate in HCWD  
8 are subject to co-payments equal to those required under the North Carolina Health  
9 Choice Program."

10       **SECTION 2.** There is appropriated from the General Fund to the  
11 Department of Health and Human Services, Division of Medical Assistance, the sum of  
12 one hundred fifty thousand dollars (\$150,000) for the 2006-2007 fiscal year to support  
13 the expansion of Medicaid eligibility authorized under Section 1 of this act.

14       **SECTION 3.** Section 2 of this act becomes effective July 1, 2006. Section 1  
15 of this act becomes effective January 1, 2007. The remainder of this act is effective  
16 when it becomes law.