Highlights of GAO-03-587, a report to the Senate Committee on Finance and the House Committee on Energy and Commerce

Why GAO Did This Study

Over 7 million individuals with disabilities rely on medical and supportive services covered by Medicaid. However, if working-age individuals with disabilities desire to increase their self-sufficiency through employment, they could jeopardize their eligibility for Medicaid coverage, possibly leaving them without an alternative for health insurance.

In an effort to help extend Medicaid coverage to certain individuals with disabilities who desire to work, the Congress passed the Ticket to Work and Work Incentives Improvement Act of 1999. This legislation authorizes states to raise their Medicaid income and asset eligibility limits for individuals with disabilities who work. States may require that working individuals with disabilities "buy in" to the program by sharing in the costs of their coverage—thus, these states' programs are referred to as a Medicaid Buy-In.

The act also required that GAO report on states' progress in designing and implementing the Medicaid Buy-In. GAO identified states that operated Buy-In programs as of December 2002 and analyzed the income eligibility limits and cost-sharing provisions established by those states. GAO also assessed the characteristics of the Buy-In participants in four states that were among the most experienced in implementing the program.

www.gao.gov/cgi-bin/getrpt?GAO-03-587.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Kathryn G. Allen at (202) 512-7118.

June 2003

MEDICAID AND TICKET TO WORK

States' Early Efforts to Cover Working Individuals with Disabilities

What GAO Found

As of December 2002, 12 states had implemented Medicaid Buy-In programs under the authority of the Ticket to Work legislation, which was effective October 1, 2000, enrolling over 24,000 working individuals with disabilities. These states used the flexibility allowed by the legislation to raise income eligibility and asset limits as well as cost-sharing fees.

Across the 12 states, income eligibility levels ranged from 100 percent of the federal poverty level (FPL) in Wyoming to no income limit in Minnesota, with 11 states setting income eligibility limits at twice the FPL or higher. In addition to increasing income and asset levels, these states required participants to buy in to the program by charging premiums, ranging from $26 to $82 a month, and copayments, generally ranging from $0.50 to $3 for office visits and prescription drugs.

In detailed analysis of four states—Connecticut, Illinois, Minnesota, and New Jersey—GAO found that most Buy-In participants had prior insurance coverage by Medicaid and Medicare, few had prior coverage by private health insurance, and many earned low wages—most making less than $800 per month.

In commenting on a draft of this report, the Centers for Medicare & Medicaid Services noted that it expects to report in 2004 on its current study of states' experiences in 2001 and 2002 with the Medicaid Buy-In programs.

Enrollment and Income Eligibility Characteristics of 12 States with Ticket to Work Medicaid Buy-In Programs

State	Enrollment	Buy-In start date	Income limit as a percentage of FPL[a]
Missouri	8,461	July 2002	250%
Minnesota	6,178	July 2001	No limit
Indiana	3,318	July 2002	350%
Connecticut	2,433	Oct. 2000	$75,000 per year[b]
Pennsylvania	1,325	Jan. 2002	250%
New Hampshire	968	Feb. 2002	450%
New Jersey	551	Feb. 2001	250% (earned) and 100% (unearned)
Kansas	489	July 2002	300%
Illinois	323	Jan. 2002	200%
Washington	144	Jan. 2002	220%
Arkansas	65	Feb. 2001	250%
Wyoming	3	July 2002	100%

Source: State-reported data as of December 2002.

[a]The FPL for an individual in 2002 was $8,860 annually.

[b]Connecticut's income eligibility limit is not determined by the FPL.