WORKING HEALTHY
Making health care work

Policy Brief

UNIVERSITY OF KANSAS DEPARTMENT OF HEALTH POLICY AND MANAGEMENT

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Working Healthy - A Medicaid Buy-In for Kansas

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WHY DO WE HAVE IT?

While official national unemployment estimates hover between 5-7%, reported unemployment for persons with disabilities are almost ten times that, estimated at a disturbing 70% (National Organization on Disability, 2000). A significant majority of unemployed persons with disabilities want to work, but the sharp increase in persons receiving Social Security Disability Income (SSDI) or Supplemental Security Income (SSI) benefits in the past five years belies state and federal efforts to wean people from benefits they need to survive. To return to work for many would be to jeopardize health insurance coverage, a significantly stronger disincentive than is the promise of increased earnings. It became clear to many disability policy analysts and the disability community that even after passage of the Americans with Disabilities Act (ADA), additional legislation would be needed to balance the intent of state and federal programs to assure minimal social security with the goal of increasing independence and social integration among persons with disabilities seeking work. State Medicaid programs were viewed as one vehicle for helping achieve this balance.

LEGISLATIVE HISTORY

Since authorized as part of the Balanced Budget Act of 1997, twenty-seven states have modified eligibility and enrollment requirements for certain groups of low income residents so that they can receive health insurance benefits under state Medicaid programs. The reasons states have embraced this approach to expanding health insurance are as varied as the states themselves, but generally fall into two broad categories – reducing the uninsured burden and expanding opportunities for working people with disabilities to increase their earnings. With the passage of the Ticket to Work and Work Incentives Improvement Act (TWWIIA) in 1999, states were granted increased flexibility to design Buy-in plans that offered people with disabilities greater income, asset and resource protection.

The Kansas Medicaid Buy-In was founded on the philosophy of encouraging people to earn greater income and accumulate more assets so that they can free themselves of many forms of public assistance.

WORKING HEALTHY IN KANSAS

The Kansas Medicaid Buy-in, called Working Healthy, was funded by a grant by the Centers for Medicare and Medicaid Services (CMS) in October of 2000. With the strong support of disability rights advocates and many Kansas employers, it was founded on the philosophy of encouraging people to earn greater income and accumulate more assets so that they can free themselves of many forms of public assistance. By eliminating the need to spend down savings in order to qualify, and allowing savings and checking accounts, retirement funds, and equity in homes, the program seeks to empower people with disabilities to become self-sufficient and independent, while receiving necessary health and medical services that assure their well being. States can require that enrollees pay a premium for this benefit, which Kansas has chosen to do.

Want to know more about **Working Healthy**? Go on-line at http://das.kucrl.org/medicaid.html

HOW DOES IT WORK?

The program is administered through the Kansas Department of Social and Rehabilitation Services (SRS). Mary Ellen O'Brien Wright is the Program Director, and oversees a Benefits Specialist Team Leader and five Benefits Specialists. The Benefits Specialists are currently located in Chanute, Emporia, Hays, Garden City, and Lawrence, with plans to add two more Specialists in Manhattan and Wichita.

> "Finally, there is a program that will allow me to use my talents, skills, and education in a way that is productive and meaningful without losing the benefits that I need in order to thrive in my community." - KS resident

The Working Healthy program contracted with Breakthrough Club in Wichita to conduct statewide outreach to consumers, service providers and employers about the program in the period just before and after its implementation. If a person is interested in the program, he or she is encouraged to speak with the Benefits Specialist in the area to determine how participating in Working Healthy and earning more money might affect other benefits such as housing, child care subsidies, and cash assistance. The Specialist can also help the consumer determine if he or she will be required to pay a premium to maintain Medicaid coverage.

PROGRAM MONITORING AND EVALUATION

SRS contracted with the University of Kansas Department of Health Policy and Management (KU HP&M) to assist with various program activities, including outreach and educational efforts, program implementation and enhancements, collaboration with other states, and strategic planning. KU HP&M staff are also charged with assisting SRS to understand, evaluate, and monitor program performance.

Initial efforts at monitoring the program have included developing and implement-

ing a baseline survey of all Working Healthy eligibles, conducting a consumer focus group to discuss barriers to employment, and collecting administrative data from SRS Health Care Policy and CMS on health care expenditures, and the Kansas Department of Human Resources on quarterly earnings of eligibles. This first Policy Brief provides a snapshot of initial enrollment trends and demographics of the people who have enrolled in the Working Healthy program. The figures provided are based on administrative data from SRS and baseline survey data collected by KU HP&M.

ENROLLMENT

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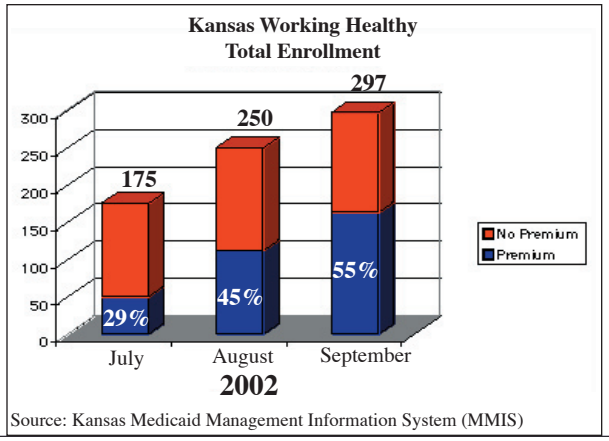
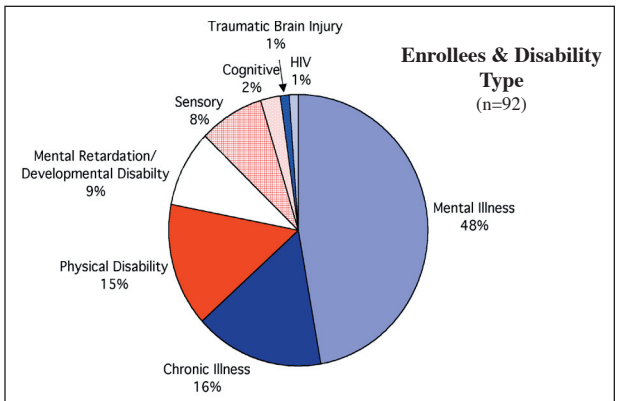
Two months into its implementation, the Working Healthy program has 297 enrollees. In the initial weeks of the program, the majority of enrollees did not have enough income to be required to pay a premium. However, premium payers have now increased and outnumber non-payers by more than 10%. Enrollees are required to pay a premium for their continued Medicaid coverage through Working Healthy when their income exceeds 100% of the federal poverty level. The premium amount increases with increased income levels.



Source: Kansas Medicaid Management Information System (MMIS)

ENROLLEE DEMOGRAPHICS

Men and women are represented about equally among program participants. Their average age is 45 years. More than half worked before going onto cash benefits, with an average of 15 years' previous work experience. Participants in Working Healthy have been receiving cash benefits for an average of 10 years. By race, 82% are white, 8% are African American, 8% are Native American or Alaskan Natives, and 1% are Asian. Two-thirds of enrollees have earned income of less than $400 per month. People with many different disabilities have enrolled in the program, as illustrated in the pie chart below.



Source: KU 2002 Baseline Survey of WH Eligibles Identified by Kansas SRS

REFERENCES

National Organization on Disability (2000). 2000 N.O.D./Harris Survey of Americans with Disabilities. Washington, D.C.: Author

WORKING HEALTHY

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This Policy Brief is published by the KU Department of Healthy Policy and Management in cooperation with Kansas SRS. The Policy Brief and other information regarding the Working Healthy program can be found on-line at http://das.kucrl.org/medicaid.html

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