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Medicaid Eligibility: Older Adults and Individuals with Disabilities

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SUMMARY

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Medicaid Eligibility: Older Adults and Individuals with Disabilities

Medicaid is a joint federal-state program that finances the delivery of primary and acute medical services, as well as long-term services and supports (LTSS), to a diverse low-income population. In general, individuals qualify for Medicaid coverage by meeting the requirements of a specific eligibility pathway. An eligibility pathway is the federal statutory reference that extends Medicaid coverage to certain groups of individuals.

Each eligibility pathway specifies the group of individuals covered by the pathway (i.e., the categorical criteria). It also specifies the financial requirements applicable to the group (i.e., the financial criteria), including income and, sometimes, resources (i.e., assets). In addition, an eligibility pathway often dictates the services that individuals are entitled to under Medicaid. Some eligibility groups are mandatory, meaning all states with a Medicaid program must cover them; other eligibility groups are optional.

Older adults and individuals with disabilities are more likely to require LTSS due to chronic disabling conditions or other functional or cognitive impairments (e.g., extended nursing facility care, personal care, and other home and community-based services). Federal policymakers have an interest in understanding Medicaid eligibility pathways for these populations, as Medicaid plays a key role in providing LTSS coverage. Generally, LTSS is not covered by Medicare or major health insurance plans in the private market. In fact, Medicaid is the largest single payer of LTSS in the United States, accounting for 42% of all LTSS expenditures in 2016 (or $154 billion). Individuals eligible for or enrolled in Medicaid who are in need of Medicaid-covered LTSS must demonstrate the need for long-term care by meeting state-based level-of-care criteria. They may also be subject to a separate set of Medicaid financial eligibility rules.

This report focuses on the ways in which adults aged 65 and older and individuals with disabilities qualify for Medicaid based on their age or disability status; that is, the eligibility pathways where the categorical criteria are being aged, blind, or disabled (referred to as "ABD" or "ABD eligibility"). Individuals who qualify for Medicaid on the basis of being blind or disabled include adults under the age of 65 as well as children. Generally, ABD populations qualify for Medicaid through an eligibility pathway under one of two broad coverage groups described in this report: Supplemental Security Income (SSI)-Related Pathways and Other ABD Pathways.

SSI-Related Pathways

SSI is a federal program that provides cash assistance to aged, blind, or disabled individuals who have limited income and resources. SSI rules form the foundation of Medicaid eligibility criteria for ABD populations. Thus, the relationship between SSI and Medicaid is important to understanding Medicaid eligibility for ABD populations, as states are generally required to provide Medicaid coverage for SSI recipients. The SSI-Related Pathways consist of Medicaid eligibility groups that generally meet the categorical and financial criteria of the SSI program, including

- SSI Recipients,
- Special Groups of Former SSI Recipients, and
- Other SSI-Related Groups.

Other ABD Pathways

States may extend Medicaid coverage to older adults and individuals with disabilities who have higher levels of income or resources than SSI program rules permit. These optional pathways allow states to offer Medicaid eligibility to individuals receiving LTSS either in an institution or home and community-based setting; working individuals who may need LTSS to support employment; and individuals with high medical expenses who "spend

down" or deplete their income and resources. These optional eligibility pathways, referred to as Other ABD Pathways, include the following:

- Poverty-Related,
- Special Income Level,
- Special Home and Community-Based Services (HCBS) Waiver Group,
- HCBS State Plan,
- Katie Beckett,
- Buy-In, and
- Medically Needy.

Topics Covered in This Report

This report begins with an overview of Medicaid eligibility, followed by a summary of ABD eligibility pathways (i.e., SSI-Related Pathways and Other ABD Pathways). Next, it provides information about the categorical and financial eligibility criteria for each Medicaid ABD eligibility pathway. The **Appendix** provides tables that include statutory references and certain financial eligibility criteria for each Medicaid ABD eligibility pathway.

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Introduction

Medicaid is a joint federal-state program that finances the delivery of primary and acute medical services, as well as long-term services and supports (LTSS),[1] to a diverse low-income population. This population includes children, pregnant women, adults, individuals with disabilities, and those aged 65 and older. Medicaid is authorized under Title XIX of the Social Security Act (SSA) and financed by the federal government and the states.[2] Federal Medicaid spending is an entitlement, with total expenditures dependent on state policy decisions and enrollees' use of services.[3]

Participation in Medicaid is voluntary, though all states, the District of Columbia, and the territories choose to participate. States design and administer their Medicaid programs based on broad federal guidelines. The federal government requires states to cover certain mandatory populations and services but allows states to cover other optional populations and services. In addition, several waiver and demonstration authorities in statute allow states to operate their Medicaid programs outside of certain federal rules.[4] Due to this flexibility, factors such as eligibility, covered benefits, and provider payment rates vary substantially by state. At the federal level, the Centers for Medicare & Medicaid Services (CMS) within the Department of Health and Human Services (HHS) is responsible for administering Medicaid.

This report focuses on Medicaid eligibility for adults aged 65 and older—referred to as older adults—and adults under the age of 65 and children with disabilities. Specifically, this report examines the statutory provisions that provide Medicaid eligibility for individuals who are considered to be aged, blind, or disabled. These populations are of interest to lawmakers primarily for two reasons: (1) they are more likely to need LTSS, and (2) they account for a large share of Medicaid spending.

Older adults and individuals with disabilities are more likely to need LTSS due to physical limitations, cognitive impairment, or chronic disabling health conditions.[5] Those with LTSS needs are a diverse group that range in age from very young children to older adults. Disabilities can be wide ranging, including, for example, physical limitations, visual impairments (i.e., blindness),

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[1] Generally, the term "long-term services and supports" (LTSS) refers to a broad range of health and health-related services and supports needed by individuals who lack the capacity for self-care due to a physical, cognitive, or mental disability or condition. Often the individual's disability or condition results in the need for hands-on assistance or supervision over an extended period of time (i.e., long-term). An individual's need for LTSS may change over time as his or her needs or conditions change. For more information, see CRS In Focus IF10427, *Overview of Long-Term Services and Supports*.

[2] For more information, see CRS Report R43357, *Medicaid: An Overview*, and CRS Report R42640, *Medicaid Financing and Expenditures*.

[3] Medicaid is an entitlement for both states and individuals. The Medicaid entitlement to states ensures that, so long as they operate their programs within the federal requirements, states are entitled to federal Medicaid matching funds. Medicaid is also an individual entitlement, which means that anyone who is eligible for and enrolled in Medicaid under his or her state's eligibility standards is guaranteed Medicaid coverage.

[4] The Social Security Act (SSA) authorizes several Medicaid waiver and demonstration authorities (e.g., Section 1115 Research and Demonstration Projects and Section 1915[c] Home- and Community-Based Services [HCBS] Waivers). Each waiver authority has a distinct purpose and specific requirements. States may use waivers to try new or different approaches to deliver services or provide coverage that reflects the special needs of particular groups of enrollees.

[5] U.S. Department of Health and Human Services (HHS), Office of the Assistant Secretary for Planning and Evaluation (ASPE), Office of Disability, Aging, and Long-Term Care Policy, *Measuring the Need for Long-Term Services and Supports*, ASPE Research Brief, July 2015, https://aspe.hhs.gov/basic-report/measuring-need-long-term-services-and-supports-research-brief.

intellectual or developmental disabilities, cognitive and behavioral health conditions, traumatic brain injuries, and HIV/AIDS.[6]

Federal policymakers have an interest in understanding Medicaid eligibility as the program is an important source of coverage for those with long-term care needs. Medicaid provides LTSS coverage (e.g., extended nursing facility care, personal care, and other home and community-based services) that is generally not covered by Medicare or major health insurance plans offered in the private market. As the largest single payer of LTSS in the United States, Medicaid plays a key role in providing LTSS coverage. In 2016, total Medicaid LTSS spending (federal and state combined) was $154 billion, accounting for 42% of all LTSS expenditures nationally.[7]

Because many older adults and individuals with disabilities use LTSS, they tend to account for a disproportionate share of Medicaid spending, which has implications for both federal and state budgets. In FY2016, Medicaid provided health care services to about 71 million enrollees, with expenditures of approximately $538 billion (federal and state combined).[8] Although older adults and individuals with disabilities made up only about one-quarter (23%) of all Medicaid enrollees that year, they accounted for more than half (54%) of all benefit spending.[9] Among all Medicaid enrollees, 30% of Medicaid spending in FY2013 was on LTSS, compared with 62% among older adults (i.e., aged) and 36% among individuals with disabilities (i.e., disabled).[10]

The next section of this report provides an overview of Medicaid eligibility, followed by a summary of eligibility pathways for older adults and individuals with disabilities. The report then describes specific information about each eligibility pathway for older adults and individuals with disabilities.[11] The **Appendix** includes summary tables with statutory references and general financial eligibility criteria for each of the eligibility pathways described in this report.

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[6] J. Paradise, B. Lyons, and D. Rowland, *Medicaid at 50*, The Kaiser Family Foundation, May 2015, p. 10, http://files.kff.org/attachment/report-medicaid-at-50.

[7] CRS analysis of National Health Expenditure Account data obtained from the Centers for Medicare & Medicaid Services (CMS), Office of the Actuary, prepared November 2017.

[8] Christopher J. Truffer, Christian J. Wolfe, and Kathryn E. Rennie, *2017 Actuarial Report on the Financial Outlook for Medicaid*, Office of the Actuary, CMS, HHS, 2018, Table 21, p. 61, https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/ActuarialStudies/Downloads/MedicaidReport2017.pdf. Data are estimated and exclude disproportionate share hospital (DSH) expenditures, territorial enrollees and expenditures, and adjustments.

[9] Ibid., p. 62. Data are estimated and exclude DSH expenditures, territorial enrollees and expenditures, and adjustments.

[10] Medicaid and CHIP Payment and Access Commission (MACPAC), *MACStats: Medicaid and CHIP Data Book*, Exhibit 18, p. 55, December 2018, https://www.macpac.gov/wp-content/uploads/2018/12/December-2018-MACStats-Data-Book.pdf. Data include federal and state funding but exclude LTSS funding under managed care. The category "disabled" refers to adults under the age of 65 and children who qualify for Medicaid on the basis of being blind or disabled. Adults under the age of 65 and children who qualify for Medicaid on the basis of a reason other than being blind or disabled are classified by CMS as "adults" and "children," respectively.

[11] This report does not examine all of the eligibility pathways through which older adults or individuals with disabilities may qualify for Medicaid. For example, it does not examine impairment-specific eligibility pathways for individuals with tuberculosis or certain types of cancer, individuals under the age of 65 under the Patient Protection and Affordable Care Act (ACA; P.L. 111-148, as amended) Medicaid expansion, or the foster care eligibility pathways for children, the Medicare Savings Programs (MSPs), or Programs for All-Inclusive Care for the Elderly (PACE). In addition, this report does not examine Medicaid eligibility for older adults or individuals with disabilities in the territories. For more information on Medicaid in the territories, see CRS In Focus IF11012, *Medicaid Funding for the Territories* and MACPAC, *Medicaid and CHIP in the Territories*, July 2019, https://www.macpac.gov/publication/medicaid-and-chip-in-the-territories/.

Overview of Medicaid Eligibility

Eligibility for Medicaid is determined by both federal and state law, whereby states set individual eligibility criteria within federal minimum standards. This arrangement results in substantial variability in Medicaid eligibility across states. Therefore, the ways that individuals can qualify for Medicaid reflect state policy decisions within broad federal requirements.

In general, individuals qualify for Medicaid coverage by meeting the requirements of a specific eligibility pathway (sometimes referred to as an eligibility group) offered by the state.[12] Some eligibility groups are mandatory, meaning all states with a Medicaid program must cover them. Other eligibility groups are optional, meaning states may elect to cover them. Within this framework, states may have some discretion to determine certain eligibility criteria for both mandatory and optional eligibility groups. In addition, states may apply to CMS for a waiver of federal law to expand health coverage beyond the mandatory and optional eligibility groups specified in federal statute.

Eligibility Pathways

An "eligibility pathway" is the federal statutory reference(s) under Title XIX of the SSA that extends Medicaid coverage to one or more groups of individuals.[13] Each eligibility pathway specifies

- the group of individuals covered by the pathway (i.e., the categorical criteria),
- the financial requirements applicable to the group (i.e., the financial criteria),
- whether the pathway is mandatory or optional, and
- the extent of the state's discretion over the pathway's requirements.[14]

Individuals who have met the categorical and financial requirements of a given eligibility pathway and are in need of Medicaid-covered LTSS must also meet additional requirements. In general, they must demonstrate the need for such care by meeting state-based level-of-care criteria. They may also be subject to a separate set of Medicaid financial eligibility rules to receive LTSS coverage. All Medicaid applicants, regardless of their eligibility pathway, must meet federal and state requirements regarding residency, immigration status, and documentation of U.S. citizenship.

Not all Medicaid enrollees have access to the same set of services. An applicant's eligibility pathway often dictates the Medicaid services that a program enrollee is entitled to (e.g., women eligible due to their pregnancy status are entitled to Medicaid pregnancy-related services). Most Medicaid beneficiaries receive services in the form of what is sometimes called "traditional" Medicaid—an array of required or optional medical assistance items and services listed in statute. However, states may furnish Medicaid in the form of alternative benefit plans (ABPs). In addition,

[12] The terms "eligibility pathway," "eligibility group," and "coverage group" are used interchangeably in this report.

[13] Although most eligibility pathways are specified in Title XIX of the SSA, some pathways are specified in other parts of the SSA, in other federal laws, or in regulations prescribed by CMS pursuant to authority provided in the SSA. See SSA §1939.

[14] CMS lists more than 60 distinct eligibility pathways through which individuals may qualify for Medicaid coverage. See CMS, *List of Medicaid Eligibility Groups*, https://www.medicaid.gov/medicaid-chip-program-information/by-topics/waivers/1115/downloads/list-of-eligibility-groups.pdf.

states may also offer LTSS under traditional Medicaid or through a waiver program for individuals who meet state-based level-of-care criteria for services.[15]

Low-income older adults and individuals with disabilities may qualify for Medicaid through a number of eligibility pathways. In general, Medicaid data report the following broad categorical eligibility groups: children, adults, aged, and disabled. This report focuses on the eligibility of older adults and individuals with disabilities based on their age or disability status; that is, the pathways where the categorical criteria are being aged, blind, or disabled (sometimes referred to as "ABD" or "ABD eligibility").

Individuals who qualify for Medicaid on the basis of being blind or disabled include adults under the age of 65 as well as children. Most (but not all) ABD pathways recognize blindness as a distinct condition from other disabilities and, as such, provide separate categorical criteria for this condition.[16] However, when reporting data on broad categorical eligibility groups, CMS includes statutorily blind individuals in the "disabled" category.

Individuals with disabilities may also be eligible for Medicaid under pathways available more broadly to able-bodied children and adults for a number of reasons; for example, because they do not meet the definition of disability under an ABD eligibility pathway, have income or assets above certain limits, do not meet the state-based level-of-care criteria, or have one or more chronic condition(s) but have not developed a chronic-disabling condition. Adults under the age of 65 and children who qualify for Medicaid on the basis of a reason other than being blind or disabled are classified by CMS as "adults" and "children," respectively.

Individuals applying for Medicaid may be eligible for the program through more than one pathway. In this situation, applicants may choose the pathway that would be most beneficial to them—both in terms of how income and sometimes assets are used to determine Medicaid eligibility, and in terms of the available services associated with each eligibility pathway.

This report classifies the ABD eligibility pathways for older adults and individuals with disabilities into two broad coverage groups: (1) Supplemental Security Income (SSI)-Related Pathways and (2) Other ABD Pathways (see **Table 1**). The SSI-Related Pathways consist of mandatory and optional eligibility groups that generally meet the requirements of the federal SSI program.[17] These groups include older adults and individuals with disabilities who are SSI eligible, are deemed to be SSI eligible, or would be SSI eligible if not for a certain SSI program rule.

The Other ABD Pathways consist of optional eligibility groups that have levels of income or resources above SSI program rules. These groups generally use SSI categorical criteria to define older adults and individuals with disabilities and may use certain SSI financial criteria to determine their financial eligibility for Medicaid. Each of the specific pathways under these broad coverage groups are described in more detail below. **Table A-1** in the **Appendix** lists the statutory references and certain eligibility criteria for each Medicaid ABD eligibility pathway.

[15] For more information, see CRS Report R43328, *Medicaid Coverage of Long-Term Services and Supports*, and CRS Report R45412, *Medicaid Alternative Benefit Plan Coverage: Frequently Asked Questions*.

[16] Individuals with visual impairments who do not meet the categorical criteria for blindness under an applicable ABD pathway may still qualify if they meet the pathway's categorical criteria for age or disability. Some ABD pathways do not provide separate categorical criteria for blindness.

[17] For more information on Supplemental Security Income (SSI), see CRS Report R44948, *Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI): Eligibility, Benefits, and Financing* and CRS In Focus IF10482, *Supplemental Security Income (SSI)*.

Table 1. Broad Coverage Groups for Older Adults and Individuals with Disabilities

SSI-Related Pathways (Mandatory and Optional)
• SSI Recipients
• Special Groups of Former SSI Recipients
• Other SSI-Related Groups
Other ABD Pathways (Optional Only)
• Poverty-Related
• Special Income Level
• Special HCBS Waiver Group
• HCBS State Plan
• Katie Beckett
• Buy-In Groups
• Medically Needy

Source: Congressional Research Service.

Notes: ABD = Aged, Blind, Disabled; HCBS = Home and Community-Based Services; SSI = Supplemental Security Income. The table does not include other mandatory or optional pathways available to children and adults when the basis of eligibility is not contingent on being blind or disabled (e.g., infants and pregnant women in families with incomes between 133% and 185% of the federal poverty level [FPL]).

Categorical Eligibility Criteria

Medicaid categorical eligibility criteria are the characteristics that define the population qualifying for Medicaid coverage under a particular eligibility pathway; in other words, the nonfinancial requirements that an individual must meet to be considered eligible under an eligibility group. Medicaid covers several broad coverage groups, including children, pregnant women, adults, individuals with disabilities, and individuals aged 65 and older (i.e., aged). Each of these broad coverage groups includes a number of distinct Medicaid eligibility pathways.

Historically, Medicaid eligibility was limited to poor families with dependent children who received cash assistance under the former Aid to Families with Dependent Children (AFDC) program, as well as poor aged, blind, or disabled individuals who received cash assistance under the SSI program. Medicaid eligibility rules reflected these historical program linkages—both in terms of the categories of individuals who were served, and because the financial eligibility rules were generally based on the most closely related social program for the group involved (e.g., AFDC program rules for low-income families with dependent children and pregnant women, and SSI program rules for aged, blind, or disabled individuals).[18] Over time, Medicaid eligibility has expanded to allow states to extend coverage to individuals whose eligibility is not based on the receipt of cash assistance, including the most recent addition of the ACA Medicaid expansion population (i.e., individuals under the age of 65 with income up to 133% of the federal poverty level). Moreover, Medicaid's financial eligibility rules have been modified over time for certain groups.[19]

[18] 42 C.F.R. §§435.500-435.541 and 435.601.

[19] For more information, see CRS Report R43861, *The Use of Modified Adjusted Gross Income (MAGI) in Federal Health Programs*.

Financial Eligibility Criteria

Medicaid is a means-tested program that is limited to those with financial need. However, the criteria used to determine financial eligibility—income and, sometimes, resource (i.e., asset) tests—vary by eligibility group. These income and resource tests are expressed separately as an *income standard* and a *resource standard*. The income standard is expressed as a dollar amount or as a share of the federal poverty level (FPL). The resource standard is expressed as a dollar amount.[20] The ways in which income and resources are counted for the purposes of applying the respective standard are referred to as the *income-counting methodology* and *resource-counting methodology* (see **text box** "Medicaid Financial Criteria: Terminology").

Medicaid Financial Criteria: Terminology

Income Standard. The dollar amount or threshold that income cannot exceed in order to determine Medicaid eligibility. Generally, this amount is expressed as a percentage of the federal poverty level (FPL).

Income-Counting Methodology. The method by which income is counted and then measured against the income standard to determine Medicaid eligibility; it includes the types of income and whose income is to be counted.

Resource Standard. The dollar amount or threshold that assets or resources cannot exceed in order to determine Medicaid eligibility.

Resource-Counting Methodology. The method by which assets or resources are counted and then measured against the resource standard to determine Medicaid eligibility; it includes the types of resources and whose resources are to be counted.

Under the income-counting methodology, certain types of income may be disregarded before comparing a person's (or household's) income against the income standard, enabling individuals with higher amounts of gross income to meet the income standard and qualify for Medicaid. Similarly, certain rules determine how an applicant's resources (i.e., assets) are counted before they are compared to the specified resource standard.

For most eligibility groups—nonelderly and nondisabled individuals, children under the age of 18, and adults and pregnant women under the age of 65—the financial criteria used to determine Medicaid eligibility are based on Modified Adjusted Gross Income (MAGI) income-counting rules. No resource or asset test is used to determine Medicaid financial eligibility for MAGI-eligible individuals.[21]

Although MAGI applies to most Medicaid eligible populations, certain populations (e.g., older adults and individuals with disabilities) are statutorily exempt from MAGI income-counting rules. Instead, Medicaid financial eligibility for MAGI-exempted populations is based on the income-counting rules that match the most closely related social program for the group involved (e.g., SSI program rules for the aged, blind, or disabled eligibility groups).[22] Thus, SSI program rules form the foundation of Medicaid eligibility for older adults and individuals with disabilities under mandatory and optional eligibility pathways and include both an income and a resource or asset test (see the next section for more information on SSI rules).

[20] The federal poverty level (FPL) refers to the poverty guidelines issued each year in the *Federal Register* by HHS. The poverty guidelines, which are a simplification of the U.S. Census Bureau's poverty thresholds, are used for administrative purposes—for instance, determining financial eligibility for certain federal programs. In 2019, the poverty guidelines for the 48 continuous states and the District of Columbia are $12,490 for a one-person household and $16,910 for a two-person household. Separate poverty guidelines apply for Alaska and Hawaii. For more information, see HHS, ASPE, "Poverty Guidelines," https://aspe.hhs.gov/poverty-guidelines.

[21] In addition, for some groups, such as former foster care youth who aged out of foster care, no income eligibility test is applied. For more information on the use of Modified Adjusted Gross Income (MAGI), as well as MAGI-exempt groups, see CRS Report R43861, *The Use of Modified Adjusted Gross Income (MAGI) in Federal Health Programs*.

[22] 42 C.F.R. §435.601.

However, under optional SSI-Related and Other ABD eligibility pathways, states may modify SSI program rules when determining income- and resource-counting methodologies. For example, some optional eligibility pathways allow states to choose their own income- or resource-counting methodology. Other eligibility pathways allow states to use Section 1902(r)(2) of the SSA, which lets them choose more liberal income- or resource-counting methodologies than those under the SSI program. Thus, for certain optional eligibility pathways, a state can choose to include or disregard certain sources of income or resources, in part or in whole, when determining whether an applicant meets the income or resource standards for that optional eligibility pathway. (See **Table A-2** in the **Appendix**, which lists the financial eligibility criteria—income standard and counting methodologies and resource standard and counting methodologies—for each Medicaid eligibility pathway identified in this report.)

In addition, state Medicaid programs are required to establish an Asset Verification System (AVS) that meets certain minimum requirements to determine and re-determine Medicaid eligibility for aged, blind, or disabled Medicaid applicants and enrollees.[23] Further discussion of AVS is beyond the scope of this report.

Medicaid Eligibility and SSI Program Rules

SSI program rules form the foundation of Medicaid categorical and financial eligibility criteria for older adults and individuals with disabilities. Medicaid generally uses SSI categorical criteria to define the ABD populations.[24] In addition, Medicaid often uses or adapts SSI's financial standards and counting methodologies to specify the financial eligibility requirements applicable to the SSI-Related Pathways and the Other ABD Pathways.[25] Thus, understanding SSI program rules is important to understanding Medicaid eligibility rules for older adults and individuals with disabilities.

SSI is a federal assistance program authorized under Title XVI of the SSA that provides monthly cash payments to aged, blind, or disabled individuals who have limited income and resources. SSI is intended to provide a guaranteed minimum income to adults who have difficulty covering their basic living expenses due to age or disability and who have little or no Social Security or other income. It is also designed to supplement the support and maintenance of needy children under the age of 18 who have severe disabilities. Unlike Medicaid, SSI eligibility requirements and benefit levels are based on nationally uniform standards. SSI is administered by the Social Security Administration but is not part of the Old Age, Survivors, and Disability Insurance program, commonly known as Social Security.

The following sections provide a brief overview of SSI's categorical and financial eligibility criteria. For more information on these and other SSI criteria, see CRS Report R44948, *Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI): Eligibility, Benefits, and Financing*.

SSI Categorical Eligibility Criteria

To be categorically eligible for SSI, a person must be an "aged, blind, or disabled individual," as defined in Title XVI of the SSA (**Table 2**). The term "aged" refers to individuals aged 65 and

[23] SSA §1940.

[24] 42 C.F.R. §§435.500-435.541.

[25] 42 C.F.R. §435.601.

older.[26] The term "blind" refers to individuals of any age who have central visual acuity of 20/200 or less in the better eye with the use of a correcting lens, or a limitation in the fields of vision so that the widest diameter of the visual field subtends an angle of 20 degrees or less (i.e., tunnel vision).[27]

Adults aged 18 and older are considered "disabled" if they are unable to engage in any substantial gainful activity (SGA) by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months.[28] The Social Security Administration uses a monthly earnings standard to determine whether an individual's work activity constitutes SGA. The agency adjusts this standard annually to reflect changes in national wage levels. In 2019, the SGA earnings standard is $1,220 per month.[29] (The SGA earnings standard is a proxy measure for total disability; it is not used to determine financial eligibility for SSI.) Adults generally qualify as disabled if they have an impairment (or combination of impairments) of such severity that they are unable to perform any kind of substantial work that exists in the national economy in significant numbers, taking into consideration their age, education, and work experience.

Children under the age of 18 are considered "disabled" if they have a medically determinable physical or mental impairment that (1) results in marked and severe functional limitations and (2) can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months.[30] Children typically qualify as disabled if they have a severe impairment (or combination of impairments) that limits their ability to engage in age-appropriate childhood activities at home, in childcare, at school, or in the community. In addition, the child's earnings must not exceed the SGA standard.

The Social Security Administration periodically reevaluates blind or disabled SSI recipients to determine if they continue to meet the applicable definition of blindness or disability. In general, the Social Security Administration schedules continuing disability reviews (CDRs) of blind or disabled SSI recipients at least once every three to seven years, depending on the likelihood of medical improvement. In addition, the agency reevaluates child SSI recipients under the adult definition of disability when they attain age 18.

SSI Financial Eligibility Criteria

To be financially eligible for SSI, a person must have income and resources within certain limits (**Table 2**). The SSI income standard is equal to the SSI federal benefit rate (FBR), which is the maximum monthly SSI payment available under the program. In 2019, the SSI FBR is $771 per month for an individual and $1,157 per month for a married couple if both members are SSI eligible.[31] Expressed as a share of the federal poverty level (FPL), the SSI FBR in 2019 is about 74% of FPL for an individual and 82% of FPL for a couple. The SSI FBR is adjusted annually for inflation by the same cost-of-living adjustment (COLA) applied to Social Security benefits. The SSI resource standard is $2,000 for an individual and $3,000 for a couple. These amounts are not adjusted for inflation and have remained at their current levels since 1989.

[26] SSA §1614(a)(1)(A).

[27] SSA §1614(a)(2).

[28] SSA §1614(a)(3)(A) and (B).

[29] Social Security Administration, "Substantial Gainful Activity," https://www.ssa.gov/oact/cola/sga.html.

[30] SSA §1614(a)(3)(C).

[31] Social Security Administration, "SSI Federal Payment Amounts," https://www.ssa.gov/oact/cola/SSIamts.html. The federal benefit rate (FBR) for a couple is 1.5 times the FBR for an individual.

Under the SSI program, a person's income and resources are counted against the income and resource standards unless they are excluded by federal law or by the Commissioner of Social Security pursuant to discretionary authority provided in statute. The SSI income-counting methodology excludes, among other things, the first $20 per month of any income, as well as the first $65 per month of earned income plus one-half of any earnings above $65. These amounts are not adjusted for inflation and have remained in place since SSI was enacted in 1972. The SSI resource-counting methodology excludes, among other things, a person's primary residence, household goods and personal effects, one automobile used for transportation, and property essential to self-support.

Table 2. SSI Categorical and Financial Eligibility Criteria

Criteria	Description
Categorical	
Aged	Individuals aged 65 and older.
Blind	Individuals of any age who have 20/200 or less vision in the better eye with the use of correcting lenses, or tunnel vision of 20 degrees or less.
Disabled	Adults aged 18 and older who are unable to engage in any substantial gainful activity (SGA) by reason of any medically determinable physical or mental impairment that is expected to last for at least one year or to result in death. In 2019, the SGA earnings standard is $1,220 per month. (The SGA earnings standard is a proxy measure for total disability; it is not used to determine financial eligibility.)
	Children under the age of 18 who have a medically determinable physical or mental impairment that results in marked and severe functional limitations and is expected to last for at least one year or to result in death. In addition, the child's earnings must not exceed the SGA earnings standard.
Financial	
Income Standard	In 2019, $771 per month for an individual (74% of the FPL) and $1,157 per month for a couple (82% of the FPL).
Income-Counting Methodology	Certain income is disregarded, such as the first $20 per month of any income (earned or unearned) and the first $65 per month of earned income plus one-half of any earnings above $65.
Resource Standard	$2,000 for an individual and $3,000 for a couple.
Resource-Counting Methodology	Certain resources are disregarded, such as an individual's primary residence, car, household goods and personal effects, and property essential to self-support.

Source: Congressional Research Service, based on the following sources: Title XVI of the Social Security Act; Social Security Administration, "SSI Federal Payment Amounts," https://www.ssa.gov/oact/cola/SSIamts.html; and U.S. Department of Health and Human Services (HHS), "Poverty Guidelines," https://aspe.hhs.gov/poverty-guidelines.

Notes: FPL = Federal Poverty Level. For purposes of the table, the FPL is the applicable HHS poverty guideline for the 48 continuous states and the District of Columbia divided by 12. In 2019, the poverty guidelines for the 48 continuous states and the District of Columbia are $12,490 for a one-person household and $16,910 for a two-person household. Separate poverty guidelines apply for Alaska and Hawaii.

For an eligible individual without an eligible spouse, the SSI income- and resource-counting methodologies are generally person-based, meaning the program counts the income and resources owned or used by the individual to determine eligibility for SSI and the amount of the payment. In certain situations, however, SSI may count a portion of the income or resources of certain ineligible family members toward the eligible individual's income or resource standard. This process, known as "deeming," applies primarily to eligible children under the age of 18 who live in the same

household as their ineligible parent(s) and to eligible married adults who live in the same household as their ineligible spouse. SSI deeming rules are complex and beyond the scope of this report.[32]

The Social Security Administration calculates a person's countable income and resources (i.e., gross income and resources less applicable exclusions) and then subtracts those amounts from the income and resource standards to determine financial eligibility and the amount of the cash payment (if any).[33] Individuals with countable income and resources at or below the applicable standards are eligible for SSI.[34] The Social Security Administration periodically reevaluates an SSI recipient's financial circumstances (i.e., income, resources, and living arrangements) to determine if the person is still eligible for SSI and receiving the correct payment amount. Automatic redeterminations are scheduled annually or once every six years, depending on the likelihood of change in a recipient's circumstances.

Additional Eligibility Requirements for LTSS Coverage

Medicaid enrollees—including the ABD populations—may have long-term care needs as well. In general, to receive Medicaid LTSS coverage, enrollees must also meet state-based level-of-care eligibility criteria. In other words, they must demonstrate the need for long-term care. In addition, such individuals may be subject to a separate set of Medicaid financial eligibility rules to receive LTSS coverage.

Level-of-care eligibility criteria for most Medicaid-covered LTSS specify that individuals must require care provided in a nursing facility or other institutional setting. A state's institutional level-of-care criteria, in general, are also applied to Medicaid Home and Community-Based Services (HCBS) eligibility. That is, eligibility for Medicaid LTSS, both institutional care and most HCBS, is tied to needs-based criteria that require an individual to meet an institutional level-of-care need.

There is no federal definition for Medicaid institutional level-of-care, and each state defines its level-of-care criteria. To define institutional level-of-care criteria, states may use "functional" criteria, such as an individual's ability to perform certain activities of daily living (ADLs). States may also use "clinical" level-of-care criteria, such as the diagnosis of an illness, injury, disability or other medical condition; treatment and medications; and cognitive status or behavioral issues, among other criteria. Most states use a combination of functional and clinical criteria in defining the need for LTSS.[35]

Certain optional ABD eligibility pathways (as described in the section entitled "Other ABD Pathways") are available for older adults and individuals with disabilities—Special Income Level, Special Home and Community-Based Waiver Group, Home and Community-Based Services (HCBS) State Plan, and Katie Beckett. These optional eligibility pathways establish eligibility to Medicaid, in general, along with Medicaid-covered LTSS for individuals who receive institutional care, or for those who need the level of care provided in an institution and receive Medicaid-

[32] For more information on deeming, see Virginia Commonwealth University's Work Incentives Planning Assistance National Training and Data Center, "Understanding the Supplemental Security Income (SSI) Program," https://vcu-ntdc.org/resources/resourceDetail.cfm?id=1.

[33] For a married couple where both members are SSI eligible, countable income is first subtracted from the FBR for a couple. The result is then divided equally and paid to each member separately.

[34] Under the SSI program, income is evaluated on a "flow basis" during the calendar month, while resources are evaluated on a "stock basis" at the first moment of the calendar month.

[35] L. Hendrickson and G. Kyzr-Sheeley, *Determining Medicaid Nursing Home Eligibility: A Survey of State Level of Care Assessmen*t, Rutgers Center for State Health Policy, March 2008, http://cshp.rutgers.edu/Downloads/7720.pdf.

covered HCBS. Medicaid enrollees in other mandatory or optional eligibility pathways may also be eligible to receive LTSS if they meet the level of care criteria.[36]

Applicants seeking Medicaid-covered LTSS are subject to a separate set of Medicaid financial eligibility rules (e.g., limits on the value of home equity and asset transfer rules). These additional financial rules are in place to ensure that program applicants apply their assets toward the cost of their care and do not divest them to gain eligibility sooner. In addition, Medicaid specifies rules for equitably allocating income and assets to non-Medicaid-covered spouses to determine LTSS coverage eligibility for nursing facility services and some HCBS. Commonly referred to as *spousal impoverishment rules*, these rules are intended to prevent the impoverishment of the spouse who does not need LTSS.[37]

Medicaid has another set of rules for the treatment of income after an individual is determined eligible for certain Medicaid-covered LTSS, referred to as Post-Eligibility Treatment of Income (PETI) rules. In general, eligible beneficiaries whose income exceeds specified amounts are required to apply their income toward the cost of their care. Within federal guidelines, a participant may retain a certain amount of income for personal use based on the services he or she receives. This amount varies by care setting (i.e., institutional versus HCBS). These specific financial eligibility rules for Medicaid-covered LTSS are not described in this report; for more information, see CRS Report R43506, *Medicaid Financial Eligibility for Long-Term Services and Supports*.

In addition, most states offer Medicaid-covered LTSS under waiver programs that operate outside requirements under the Medicaid State plan. Under SSA Section 1915(c), states can cover HCBS, which includes a wide variety of nonmedical, social, and supportive services that allow individuals who require an institutional level of care to live independently in the community. SSA Section 1915(c) authorizes the HHS Secretary to waive requirements regarding comparability of services and offering services statewide (i.e., referred to as statewideness). In addition, states may waive certain income and resource rules applicable to persons in the community, so that a spouse's or parent's income (and, to some extent, resources) are not considered available to the applicant for the purposes of determining Medicaid financial eligibility. States may use Section 1915(c) concurrently with other waiver authorities. For example, states may combine Section 1915(b) and 1915(c) authorities to offer mandatory managed care for HCBS. States may also limit or cap program enrollment in the waiver. For each Section 1915(c) waiver program, states must identify the Medicaid eligibility groups receiving waiver services from those groups already covered under the Medicaid State plan. In doing so, states may include both mandatory and optional groups.

To expand LTSS coverage, states may use Section 1115 of the SSA to waive certain state plan requirements. States have used Section 1115 waivers to expand eligibility to groups beyond those the statute allows, to cap program enrollment, and to impose waiting periods prior to enrollment. States have also used Section 1115 waiver programs to modify the income- and resource-counting rules and methodologies for specified groups—for example, to encourage participation in managed LTSS, and to otherwise liberalize or limit income-counting rules for specified subpopulations. Moreover, states have used Section 1115 waiver authority to modify spend-down requirements, and to modify periods of retroactive eligibility and/or periods for eligibility redeterminations, among

[36] Medicaid enrollees who do not meet the level of care criteria and/or the financial eligibility rules for Medicaid-covered LTSS may continue to receive Medicaid coverage for their health care services.

[37] Historically, these rules have applied to the spouse of participants receiving institutional care; however, under §2404 of the Patient Protection and Affordable Care Act (ACA; P.L. 111-148, as amended), these rules were extended for a limited time to the spouse of participants receiving certain home- and community-based services and are scheduled to sunset on December 31, 2019.

other eligibility-related purposes. Further discussion of Medicaid eligibility under these waiver programs is beyond the scope of this report.

SSI-Related Pathways

SSI-Related Pathways consist of mandatory and optional eligibility groups that meet the general requirements of the SSI program. These groups include aged, blind, or disabled individuals who are SSI eligible, deemed to be SSI eligible, or would be SSI eligible if not for a certain SSI program rule. This report organizes the SSI-Related Pathways into three subgroups, each of which contains multiple eligibility pathways: (1) SSI Recipients, (2) Special Groups of Former SSI Recipients, and (3) Other SSI-Related Groups.

SSI Recipients

The pathways for SSI Recipients extend Medicaid coverage to individuals who are enrolled in the SSI program and who either receive SSI, are deemed to receive SSI, or receive only state supplementary payments (SSPs, discussed below). States are generally required to provide Medicaid coverage for SSI recipients. However, states may use more restrictive eligibility criteria than those of the SSI program if they were using such criteria in 1972. Individuals in receipt of SSI for a given month are usually eligible for Medicaid for that month. SSI recipients typically become ineligible for Medicaid whenever their cash payments are suspended or terminated. In December 2018, 8.1 million individuals received SSI or federally administered SSP.[38]

SSI Recipients in "1634 States" or "SSI Criteria States"

Unless states elect the option discussed in the next section, they must provide Medicaid coverage for all SSI recipients.[39] Most states that provide Medicaid coverage for all SSI recipients do so automatically. Section 1634 of the SSA allows states to enter into an agreement with the Social Security Administration for the agency to conduct Medicaid eligibility determinations and redeterminations for SSI recipients on the state's behalf.[40] In these states, an SSI application is also an application for Medicaid, and an SSI redetermination is also a redetermination of Medicaid eligibility.[41] States that choose to contract with the Social Security Administration under Section 1634 of the SSA are known as "1634 states." In 2019, 34 states and the District of Columbia provide Medicaid coverage for SSI recipients using this option (see **Table 3**).[42]

Some states that provide Medicaid coverage for all SSI recipients choose to conduct their own Medicaid eligibility determinations and redeterminations. These states use the same standards and

[38] Social Security Administration, *SSI Annual Statistical Report, 2018*, September 2019, Table 10, https://www.ssa.gov/policy/docs/statcomps/ssi_asr/.

[39] SSA §1902(a)(10)(A)(i)(II)(aa); 42 C.F.R §435.120.

[40] 42 C.F.R. §§435.541 and 435.909. See also 20 C.F.R. §§416.2101-416.2176. For an example of a "1634 agreement," see Letter from Stuart C. McWhorter, Commissioner of the Tennessee Department of Finance and Administration, to Mike Perry, Chief Procurement Office for the Tennessee Department of General Services, March 12, 2019, https://www.tn.gov/content/dam/tn/tenncare/documents2/SecHHSEligibility028.pdf.

[41] See Social Security Administration, Program Operations Manual System (POMS), "SI 01730.000 SSA Determinations of Medicaid Eligibility," https://secure.ssa.gov/apps10/poms.nsf/lnx/0501730000.

[42] Medicaid and CHIP Payment and Access Commission (MACPAC), *MACStats: Medicaid and CHIP Data Book*, Exhibit 37, pp. 109-111, December 2018, https://www.macpac.gov/wp-content/uploads/2018/12/December-2018-MACStats-Data-Book.pdf. Of the 8.1 million SSI recipients in December 2018, approximately 86% resided in 1634 states. See Social Security Administration, *SSI Annual Statistical Report, 2018*, September 2019, Table 10.

methodologies of the SSI program to determine Medicaid eligibility but require SSI recipients to file a separate Medicaid application with the state or local Medicaid office. States that elect this option are known as "SSI criteria states." In 2019, eight states provide Medicaid coverage for SSI recipients using this option (see **Table 3**).[43]

SSI Recipients and Other ABD Individuals in "209(b) States"

Under Section 1902(f) of the SSA, states have the option of applying eligibility criteria that are more restrictive than those of the SSI program in determining Medicaid eligibility for SSI recipients.[44] However, any more restrictive eligibility criteria that are applied to SSI recipients may not be more restrictive than those contained in the state's Medicaid plan that was in effect on January 1, 1972. States that provide Medicaid coverage for only those SSI recipients who meet more restrictive eligibility criteria than SSI criteria are known as "209(b) states," after the section of the Social Security Amendments of 1972 (P.L. 92-603) that established the option. In 2019, eight states provide Medicaid coverage for SSI recipients using this option (see **Table 3**).[45]

Table 3. Medicaid Eligibility for SSI Recipients, by Type of State

State Type	Scope of Coverage	Entity that Determines Eligibility	Enrollment Process	States
1634 State	All SSI recipients	Social Security Administration	Automatic (part of the SSI application process)	Alabama, Arizona, Arkansas, California, Colorado, Delaware, District of Columbia, Florida, Georgia, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Montana, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, Washington, West Virginia, Wisconsin, Wyoming
SSI Criteria State	All SSI recipients	State Medicaid agency	Separate application required	Alaska, Idaho, Kansas, Nebraska, Nevada, Oklahoma, Oregon, Utah
209(b) State	Only those SSI recipients who meet more restrictive eligibility criteria than SSI criteria	State Medicaid agency	Separate application required	Connecticut, Hawaii, Illinois, Minnesota, Missouri, New Hampshire, North Dakota, and Virginia

Sources: Congressional Research Service, based on the following sources: Medicaid and CHIP Payment and Access Commission (MACPAC), *MACStats: Medicaid and CHIP Data Book*, Exhibit 37, pp. 109-111, December 2018, https://www.macpac.gov/wp-content/uploads/2018/12/December-2018-MACStats-Data-Book.pdf; and Kalman Rupp and Gerald F. Riley, "State Medicaid Eligibility and Enrollment Policies and Rates of Medicaid Participation among Disabled Supplemental Security Income Recipients," *Social Security Bulletin*, vol. 76, no. 3 (August 2016), https://www.ssa.gov/policy/docs/ssb/v76n3/v76n3p17.html.

[43] Ibid. Of the 8.1 million SSI recipients in December 2018, approximately 5% resided in SSI criteria states. See Social Security Administration, *SSI Annual Statistical Report, 2018*, September 2019, Table 10.

[44] SSA §1902(f); 42 C.F.R. §435.121.

[45] MACPAC, *MACStats: Medicaid and CHIP Data Book*, Exhibit 37, pp. 109-111, December 2018. Of the 8.1 million SSI recipients in December 2018, approximately 9% resided in 209(b) states. See Social Security Administration, *SSI Annual Statistical Report, 2018*, September 2019, Table 10.

Notes: 209(b) states apply at least one eligibility criterion that is more restrictive than SSI criteria in determining Medicaid eligibility for SSI recipients; however, any more restrictive eligibility criteria that are applied to SSI recipients may not be more restrictive than those contained in the state's Medicaid plan that was in effect on January 1, 1972.

209(b) states apply at least one eligibility criterion that is more restrictive than SSI criteria in determining Medicaid eligibility for SSI recipients, such as a stricter definition of blindness or disability, a lower income or resource standard, a less generous methodology for counting income or resources, or some combination of those factors.[46] For example, New Hampshire imposes a longer duration-of-impairment requirement for individuals with a disability other than blindness (48 months instead of SSI's 12-month standard),[47] and Virginia limits ownership of property contiguous to an individual's home (i.e., land other than the lot occupied by the home) to $5,000.[48] 209(b) states may also use eligibility criteria that are more liberal than those of the SSI program under the authority provided in Section 1902(r)(2) of the SSA; however, they must retain at least one eligibility criterion that is more restrictive than SSI criteria to remain in 209(b) status.[49]

209(b) states are required to deduct the value of SSI and any optional state supplementary payments (discussed below) from an SSI recipient's income in determining Medicaid eligibility. They must also allow SSI recipients to "spend down" or deduct incurred medical expenses from their income to the point where they meet the applicable income standard needed for Medicaid eligibility. Because SSI program rules form the foundation of Medicaid eligibility criteria for the ABD populations, 209(b) states may apply their more restrictive eligibility criteria to most other eligibility pathways for ABD individuals, subject to the same terms and conditions discussed above.

Individuals Eligible for Only Optional SSPs

Some states complement federal SSI payments with optional state supplementary payments (SSPs), which are made solely with state funds.[50] SSPs are intended to help individuals whose basic needs are not fully met by the SSI federal benefit rate (FBR). States may provide SSPs to all SSI recipients, or they may limit payments to certain individuals, such as residents of domiciliary-care facilities or blind individuals. SSP amounts, standards, and methodologies are determined by the states, pursuant to certain federal requirements.[51] States may self-administer their SSP program (i.e., state administered SSP), or they may contract with the Social Security Administration for the agency to administer the program on the state's behalf (i.e., federally administered SSP). In 2019, 44 states and the District of Columbia provide optional SSPs to some or all SSI recipients.[52]

[46] If a 209(b) state limits eligibility for disabled individuals to adults aged 18 and older, it must provide Medicaid to child SSI recipients under the age of 18 who would be eligible to receive Aid to Families with Dependent Children (AFDC) under the state's approved plan that was in effect on July 16, 1996, if they did not receive SSI. SSA §§1902(f) and 1931(a); 42 C.F.R. §435.121(d).

[47] New Hampshire Revised Statutes §167:3-j.

[48] Virginia Administrative Code 12VAC30-40-240.

[49] For more information on the eligibility criteria applied to SSI recipients in selected 209(b) states, see CMS, "Medicaid State Plan Amendments," https://www.medicaid.gov/state-resource-center/medicaid-state-plan-amendments/index.html.

[50] Despite the name, states that make optional state supplementary payments (SSPs) after June 1977 must continue to do so as a condition of receiving federal Medicaid funding. See SSA §1618.

[51] For general information on SSP standards and methodologies, see *Social Security Administration, State Assistance Programs for SSI Recipients, January 2011*, November 2011, https://www.ssa.gov/policy/docs/progdesc/ssi_st_asst/.

[52] Social Security Administration, *Annual Report of the Supplemental Security Income Program*, May 30, 2019, p. 22, https://www.ssa.gov/oact/ssir/.

States have the option to provide Medicaid coverage for individuals who receive only an optional SSP.[53] Individuals receive an optional SSP, but no SSI payment, if their countable income is at least equal to the SSI income standard but less than the state-established income standard used to determine optional SSPs. The "SSP income standard" is effectively the combined amount of the SSI FBR and the maximum applicable SSP. For example, in 2019, the SSP income standard for a disabled individual living independently in California is $931.72 per month: the SSI FBR of $771 per month plus the maximum applicable SSP of $160.72 per month.[54] In this case, the disabled individual would receive only an optional SSP if his or her countable income were at least $771 per month but less than $931.12 per month.

In general, states must apply the same standards and methodologies to individuals under this pathway that they apply to individuals receiving SSI, including any standards or methodologies that are more restrictive than those of the SSI program in the case of 209(b) states.[55] However, 209(b) states and SSI criteria states that self-administer their SSP program may apply a more restrictive income-counting methodology to individuals under this pathway than the one they apply to individuals receiving SSI. According to the Medicaid and CHIP Payment and Access Commission (MACPAC), 43 states and the District of Columbia provide Medicaid for individuals who receive only an optional SSP.[56]

Individuals Receiving Mandatory SSPs

(This pathway is closed to new enrollment and applies to relatively few people.)

Section 212 of P.L. 93-66 requires nearly all states to maintain the December 1973 income levels of individuals who were transferred from the former federal-state cash assistance programs for the aged, blind, and disabled (hereinafter "former adult assistance programs") to the SSI program in January 1974. To receive federal Medicaid funding, states must provide a special payment, known as a mandatory SSP, to individuals who were converted from the former adult assistance programs to the SSI program if the individual's SSI payment plus other income from the current month is less than his or her December 1973 state grant amount plus certain other income. The amount of the mandatory SSP is the difference between the current SSI payment and the individual's December 1973 payment under the former adult assistance program. Section 13(c) of P.L. 93-233 requires states to provide Medicaid coverage for individuals who receive mandatory SSPs.[57]

Individuals with Earnings Above Certain Limits (1619[a] and 1619[b])

All states (including 209[b] states) are required to provide Medicaid coverage for individuals who are enrolled in the SSI program but have earnings above certain SSI limits. Under Section 1619(a) and 1619(b) of the SSA, individuals who would continue to be eligible to receive SSI if not for their earnings may be deemed to be receiving SSI for Medicaid eligibility purposes if they continue to

[53] SSA §1902(a)(10)(A)(ii)(IV) and (XI) and SSA §1905(j); 42 C.F.R. §§435.230(c)(2)(iv), 435.232, and 435.234.

[54] Social Security Administration, POMS, "SI 01415.051 Federally Administered Optional Supplementary Payment Programs for January 2019," January 17, 2019, https://secure.ssa.gov/apps10/poms.nsf/lnx/0501415051.

[55] In 1634 states, all individuals who receive only a federally administered optional SSP are provided Medicaid coverage. See Social Security Administration, POMS, "SI 01730.010 Determinations of Medicaid Eligibility," February 6, 2013, https://secure.ssa.gov/poms.nsf/lnx/0501730010.

[56] MACPAC, *Report to Congress on Medicaid and CHIP*, June 15, 2017, Table 1A-2, pp. 29-31, https://www.macpac.gov/publication/june-2017-report-to-congress-on-medicaid-and-chip/.

[57] 42 C.F.R. §435.130.

work and meet certain other requirements.[58] To qualify under the 1619 provisions, individuals must have been eligible for and received SSI for at least one month before the month the 1619 determination is made. (Adults aged 65 and older may qualify for the 1619 provisions, provided they meet the SSI definition of blindness or disability.) Individuals who live in 209(b) states must also have been eligible for Medicaid in the month immediately prior to becoming eligible for 1619 status.

Section 1619(a) of the SSA provides for the continuation of cash payments for disabled SSI recipients with earnings that would otherwise disqualify them from SSI. Under this provision, disabled individuals who have earnings at or above the substantial gainful activity (SGA) standard ($1,220 per month in 2019) but whose countable income is less than the SSI income standard are eligible to receive special SSI payments in lieu of regular SSI payments. (SSI does not require blind individuals to meet the SGA standard; thus, 1619[a] does not apply to blind SSI recipients.) These 1619(a) payments are calculated in the same manner as regular SSI payments and are payable for as long as an individual performs SGA and meets all other SSI eligibility criteria. In addition to providing special payments, Section 1619(a) requires all states to provide Medicaid coverage for 1619(a) recipients on the same basis as they provide Medicaid coverage for regular SSI recipients.[59]

Section 1619(b) of the SSA requires all states to provide Medicaid coverage for blind or disabled individuals who would continue to be eligible for regular SSI payments or 1619(a) payments if not for their earnings.[60] Under this provision, blind or disabled individuals who lose SSI eligibility because their countable income exceeds the SSI income standard (or applicable SSP income standard) due to excess earnings are deemed to be receiving SSI for Medicaid eligibility purposes. To qualify under this pathway, individuals must (1) continue to be blind or disabled, (2) meet all SSI financial eligibility requirements except for earnings, (3) need Medicaid to continue working, and (4) have earnings that are considered insufficient to provide a reasonable equivalent of the benefits that would be provided if they did not have those earnings (i.e., SSI, SSP, Medicaid, and publically funded personal or attendant care).

The Social Security Administration uses an annual earnings standard to determine when 1619(b) eligibility ends. The agency calculates this standard based on the sum of

- the amount of gross earnings that would reduce the SSI payment (or the combined amount of the SSI payment and the SSP) to zero for an individual living independently with no other income, and
- the state's average annual per capita Medicaid expenditures for blind or disabled SSI recipients.

The standard varies from state to state, depending on the amount of the SSP (if any) and per capita Medicaid expenditures. In 2019, the annual earnings standard for disabled 1619(b) participants ranges from $27,826 in Alabama to $66,452 in Connecticut, with the median being $36,548.[61] If an

[58] 20 C.F.R. §§416.260-416.269; 42 C.F.R. §§435.120-435.121. See also Social Security Administration, POMS, "SI 02302.010 1619 Policy Principles," December 2, 2015, https://secure.ssa.gov/poms.nsf/lnx/0502302010.

[59] In December 2018, approximately 14,400 individuals received a special 1619(a) payment. See Social Security Administration, *SSI Annual Statistical Report, 2018*, September 2019, Table 45.

[60] Similar to 1619(b), SSA §§1902(a)(10)(A)(i)(II)(bb) and 1905(q) require states to provide Medicaid to "qualified severely impaired individuals" who would continue to be eligible for SSI/SSP if not for their earnings. Lawmakers established this duplicative provision under P.L. 99-509 in the event that they failed to reauthorize the 1619 provisions. However, before the 1619 provisions expired, lawmakers made them permanent under P.L. 99-643.

[61] Social Security Administration, POMS, "SI 02302.200 Charted Threshold Amounts," February 8, 2019, http://policy.ssa.gov/poms.nsf/lnx/0502302200.

individual's annual earnings exceed the predetermined standard, then the Social Security Administration will determine his or her eligibility using an individualized standard that takes into account the person's actual Medicaid expenditures, as well as the value of any publicly funded personal or attendant care that the individual receives from a program other than Medicaid.[62]

Special Groups of Former SSI Recipients

The pathways for Special Groups of Former SSI Recipients extend Medicaid coverage to special former SSI/SSP recipients who would continue to be eligible for SSI/SSP if not for receipt of certain Social Security benefits.[63] Special former recipients are deemed to be receiving SSI/SSP for Medicaid eligibility purposes; however, unlike 1619 participants, they no longer have a current connection to the SSI program (i.e., they have been formally terminated from the rolls). In determining Medicaid eligibility, most states must disregard the applicable Social Security benefit or increases in that benefit from the special former recipient's countable income. In most instances, 209(b) states have the option to disregard all, some, or none of the applicable Social Security benefit or increases in that benefit from the special former recipient's countable income in determining Medicaid eligibility. However, 209(b) states must provide Medicaid coverage for special former recipients on the same basis as they provide Medicaid coverage for individuals who receive SSI/SSP.

Recipients of Social Security COLAs After April 1977 ("Pickle Amendment")

Section 503 of P.L. 94-566 generally requires states to provide Medicaid coverage for individuals who would continue to be eligible for SSI/SSP if not for increases in their Social Security benefits due to COLAs.[64] Individuals qualify under this pathway it they

- are receiving Social Security benefits,
- lost SSI/SSP but would still be eligible for those benefits if Social Security COLAs received since losing SSI/SSP were deducted from their income, and
- were eligible for and receiving SSI/SSP concurrently with Social Security for at least one month after April 1, 1977.

209(b) states may exclude all, some, or none of the Social Security benefit increases that caused ineligibility for SSI/SSP. This pathway is often known as the "Pickle Amendment" after the late Representative J.J. Pickle.

Disabled Widow(er)s Receiving Benefit Increases Under P.L. 98-21 ("ARF Widow[er]s")

(This pathway is closed to new enrollment and applies to relatively few people.)

Social Security provides widow(er)'s benefits starting at age 60, or at age 50 if the individual is disabled and meets certain other criteria. The amount of the aged or disabled widow(er)'s benefit is

[62] In December 2018, approximately 94,700 individuals were in 1619(b) status. See Social Security Administration, *SSI Annual Statistical Report, 2018*, September 2019, Table 45.

[63] CMS, *Groups Deemed to be Receiving SSI for Medicaid Purposes: Technical Assistance Series for Medicaid Services to Elderly or People with Disabilities*, Disability and Aging TA Series #01, June 12, 2002, https://web.archive.org/web/20040513094306/http:/www.cms.gov/medicaid/eligibility/ssideem.pdf. See also Social Security Administration, POMS, "SI 01715.015 Special Groups of Former SSI Recipients," March 20, 2013, https://secure.ssa.gov/apps10/poms.nsf/lnx/0501715015.

[64] 42 C.F.R. §435.135.

based on the deceased insured worker's past earnings from covered employment, subject to a permanent reduction for each month of entitlement before the widow(er)'s full retirement age (65-67, depending on year of birth). Under P.L. 98-21, lawmakers eliminated the additional reduction factor (ARF) for disabled widow(er)s aged 50-59, meaning their reduction penalty for claiming benefits before their full retirement age was capped at the percentage applicable to aged widow(er)s who first claim at age 60.

All states (including 209[b] states) are required to provide Medicaid coverage for individuals who would continue to be eligible for SSI/SSP if not for increases in their widow(er)'s benefits due to the elimination of the ARF (known as "ARF Widow[er]s").[65] Individuals qualify under this pathway if they

- were entitled to Social Security benefits in December 1983 and received disabled widow(er)'s benefits and SSI/SSP in January 1984,
- lost SSI/SSP eligibility because of the elimination of the ARF,
- have been continuously entitled to widow(er)'s benefits since January 1984,
- filed for Medicaid continuation before July 1, 1988 (or a slightly later date in some cases), and
- would continue to be eligible for SSI/SSP if the value of the increase in disabled widow(er)'s benefits under P.L. 98-21 and any subsequent COLAs were deducted from their countable income.

Disabled Adult Children

Disabled adult children of retired, disabled, or deceased insured workers typically qualify for Social Security disabled adult child's (DAC) benefits if they are at least age 18 and became disabled before they attained age 22. States are generally required to provide Medicaid coverage for individuals who lose eligibility for SSI/SSP due to entitlement to or an increase in DAC benefits.[66] Individuals qualify under this pathway if they

- lose eligibility for SSI/SSP due to receipt of DAC benefits on or after July 1, 1987, and
- would continue to be eligible for SSI/SSP if not for their entitlement to or an increase in DAC benefits.

209(b) states may exclude all, some, or none of the DAC benefit or increases in that benefit that caused ineligibility for SSI/SSP.

Widow(er)s Not Entitled to Medicare Part A ("Early Widow[er]s")

States are generally required to provide Medicaid coverage for individuals aged 50 to 64 who lose eligibility for SSI/SSP due to entitlement to Social Security widow(er)'s benefits but who are not yet entitled to Medicare Part A (Hospital Insurance).[67] Individuals qualify under this pathway if they

- are at least age 50 but have not yet attained age 65,

[65] SSA §1634(b); 42 C.F.R. §435.137.

[66] SSA §1634(c).

[67] SSA §1634(d); 42 C.F.R. §435.138.

- received SSI/SSP in the month before their widow(er)'s benefits began,
- are not entitled to Medicare Part A,[68] and
- would continue to be eligible for SSI/SSP if not for their entitlement widow(er)'s benefits.[69]

Eligibility for Medicaid under this pathway continues until the individual becomes entitled to Medicare Part A. 209(b) states may exclude all, some, or none of the widow(er)'s benefit that caused ineligibility for SSP/SSI.

Recipients of a 1972 Social Security COLA

(This pathway is closed to new enrollment and applies to relatively few people.)

Section 249E of P.L. 92-603 requires states to provide Medicaid coverage for individuals who would be eligible for SSI/SSP in the absence of a Social Security COLA enacted in 1972 under P.L. 92-336.[70] Individuals qualify under this provision if they

- were entitled to Social Security benefits in August 1972,
- were receiving cash assistance under the former adult assistance programs in August 1972 (or would have been eligible for such assistance in certain instances), and
- would be eligible for SSI/SSP had the COLA under P.L. 92-336 not been applied to their Social Security benefits.

Other SSI-Related Groups

The pathways for Other SSI-Related Groups extend Medicaid coverage to certain individuals who were eligible for Medicaid just prior to SSI's start in 1974, and to aged, blind, or disabled individuals who would be eligible for SSI/SSP today if not for a certain requirement in those programs. Although these groups may have received SSI/SSP in the past, their eligibility for Medicaid under these pathways is not conditional on their prior receipt of such payments.

Grandfathered 1973 Medicaid Recipients

(These pathways are closed to new enrollment and apply to relatively few people.)

Sections 230 to 232 of P.L. 93-66 require states to provide Medicaid to three groups that were eligible for Medicaid in December 1973: (1) essential spouses, (2) institutionalized individuals, and (3) blind or disabled individuals.[71]

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[68] For more information on Medicare, see CRS Report R40425, *Medicare Primer*.

[69] Lawmakers enacted the Early Widow(er)s pathway for widow(er)s aged 60-64 under P.L. 100-203, and regulations for it were published in November 1990. That same month, lawmakers extended the pathway to disabled widow(er)s aged 50 to 59 under P.L. 101-508. Although 42 C.F.R. §435.138 has not been updated to reflect the aforementioned change made by P.L. 101-508, CMS guidance notes that the pathway applies to widow(er)s aged 50-64. See CMS, *Groups Deemed to be Receiving SSI for Medicaid Purposes: Technical Assistance Series for Medicaid Services to Elderly or People with Disabilities*, Disability and Aging TA Series #01, June 12, 2002, p. 5, https://web.archive.org/web/20040513094306/http:/www.cms.gov/medicaid/eligibility/ssideem.pdf.

[70] 42 C.F.R. §435.134.

[71] 42 C.F.R. §§435.131-435.133.

- *Essential spouses* are the spouses of cash assistance recipients under the former adult assistance programs whose needs were included in determining the amount of the cash payment to the recipient.
- *Institutionalized individuals* are inpatients of medical institutions or residents of intermediate care facilities who received cash assistance under the former adult assistance programs (or who would have been eligible for such assistance if they were not institutionalized).
- *Blind or disabled individuals* are individuals who met the state-established criteria for blindness or disability under the state's Medicaid plan in December 1973.

States must provide Medicaid for these groups if they continue to meet the respective eligibility criteria that were in effect in December 1973, in addition to meeting certain other requirements.

Individuals Eligible For but Not Receiving SSI/SSP

States have the option to provide Medicaid coverage for aged, blind, or disabled individuals who meet the income and resource requirements for SSI/SSP but who do not receive cash payments.[72] Individuals may be eligible for but not receiving SSI/SSP because they have not applied for benefits. According to estimates from HHS' Office of the Assistant Secretary for Planning and Evaluation, about 60% of single adults aged 18 and older who were eligible for SSI in 2015 participated in the program that year.[73] In 209(b) states, eligibility under this pathway is determined before the deduction of any incurred medical expenses recognized under a state plan (i.e., before spend-down).

Individuals Who Would be Eligible for SSI/SSP if They Were Not Institutionalized

Residents of public institutions are generally ineligible for SSI. However, residents of certain medical institutions are eligible for a reduced SSI payment if more than 50% of the cost of their care is paid for by Medicaid (or in the case of a child under the age of 18, by any combination of Medicaid and private health insurance). The reduced SSI payment, known as a personal needs allowance (PNA), is used to pay for small comfort items not provided by the facility.[74] Capped at $30 per month, or $60 per month for couples in certain situations, the PNA is not indexed to inflation and has remained at its current level since July 1988. Some states supplement the PNA (i.e., provide an SSP) for institutionalized individuals who meet certain requirements. Any countable income reduces the PNA for institutionalized individuals; however, the SSI/SSP income standard is used in determining their eligibility for the SSI program.

States have the option to provide Medicaid coverage for institutionalized individuals who are ineligible for SSI/SSP because of the lower income standards used to determine eligibility for the

[72] SSA §1902(a)(10)(A)(ii)(I); 42 C.F.R. §§435.210 and 435.230(c)(1).

[73] HHS, ASPE, *Welfare Indicators and Risk Factors: Seventeenth Report to Congress*, Table 13, p. A-13, https://aspe.hhs.gov/system/files/pdf/259196/WELFAREINDICATORS17THREPORT.pdf.

[74] The SSI personal needs allowance (PNA) under SSA §1611(e)(1)(B) is distinct from the Medicaid PNA under SSA§1902(q). For institutionalized individuals, the Medicaid PNA is a monthly amount deducted from an individual's total income that he or she may retain for personal needs; any remaining income is contributed toward the cost of his or her care in the institution. The minimum monthly Medicaid PNA is $30 for an institutionalized individual and $60 for couples in certain situations. States have the option to establish a higher PNA amount than the federal statutory minimums. Similar to the SSI PNA, the Medicaid PNA is not indexed to inflation and has remained at its current level since July 1988.

PNA but who would be eligible for SSI/SSP if they were not institutionalized.[75] In other words, states may provide Medicaid to individuals who reside in certain Title XIX-reimbursable institutions who have countable income at or above the PNA standard ($30 for an individual) but within the SSI/SSP income standard ($771 for an individual in 2019).[76]

Individuals Who Would be Eligible for SSI/SSP if Not for Criteria Prohibited by Medicaid

States are generally required to provide Medicaid coverage for aged, blind, or disabled individuals who would be eligible for SSI/SSP if not for an eligibility requirement used in those programs that is prohibited by Medicaid.[77] For example, Section 4735 of the Balanced Budget Act of 1997 (P.L. 105-33) requires states to exclude from eligibility determinations certain settlement payments made to hemophilia patients who were infected with HIV. However, federal law does not exempt such payments from being counted as income or resources under the SSI program. CMS regulations require states to provide Medicaid coverage for individuals who lost SSI eligibility because they received settlement payments.[78]

Other ABD Pathways

States may extend Medicaid coverage to older adults and individuals with disabilities who have higher levels of income or resources than those permitted by SSI program rules under optional aged, blind, or disabled (ABD) eligibility pathways. In addition, some optional ABD eligibility pathways allow states to choose their own methodology for counting income and resources; others permit states to use less restrictive income- or resource-counting methodologies compared with SSI rules. As previously mentioned, certain optional eligibility pathways for older adults and individuals with disabilities (e.g., Special Income Level, Special Home and Community-Based Waiver Group, Home and Community-Based Services [HCBS] State Plan, and Katie Beckett) establish eligibility to Medicaid, in general, along with Medicaid-covered LTSS. In addition, Medicaid gives states the option to extend eligibility to individuals who "spend down" or deplete their income on medical expenses, including LTSS, to specified levels. Therefore, some individuals with higher levels of income and resources compared with those permitted under SSI rules may be Medicaid-eligible.

This section describes the following optional Medicaid eligibility pathways for ABD individuals: (1) Poverty-Related; (2) Special Income Level; (3) Special Home and Community-Based Services Waiver Group; (4) Home and Community-Based Services State Plan Option; (5) Katie Beckett; (6) Buy-In Groups; and (7) Medically Needy.

[75] SSA §1902(a)(10)(A)(ii)(IV); 42 C.F.R. §§435.211 and 435.230(c)(2)(i).

[76] Amounts in parentheses do not account for any applicable SSP.

[77] 42 C.F.R. §435.122. This pathway typically does not apply to 209(b) states. However, a 209(b) state may be required to provide Medicaid coverage under this pathway if it elects to provide Medicaid coverage for individuals who receive only an optional SSP and if the Social Security Administration administers the optional SSP on the state's behalf.

[78] Ibid. See also Letter from Sally K. Richardson, Director Center for Medicaid and State Operations, HHS, Health Care Financing Administration (HCFA, now CMS), to State Medicaid Directors, January 20, 1998, https://downloads.cms.gov/cmsgov/archived-downloads/SMDL/downloads/SMD012098c.pdf.

Poverty-Related

Enacted under the Omnibus Budget Reconciliation Act of 1986 (OBRA '86; P.L. 99-509), the optional Poverty-Related eligibility pathway allows states to cover aged and/or disabled individuals who have incomes that are higher than SSI standards, with family income up to 100% of the federal poverty level (FPL), provided that the state also covers certain eligible pregnant women and children.[79] Aged individuals are defined as being 65 years old and older, and disabled individuals must meet the SSI program's applicable definition of disability. States may employ a reasonable definition of a "family" for purposes of the individual's countable income. In general, states must use SSI rules in determining what income is counted or not counted.[80] An individual's resources cannot exceed the SSI resource standard with SSI rules used in determining countable resources.[81] However, states may use Section 1902(r)(2) of the SSA to disregard additional countable income or resources. In 2018, 24 states and the District of Columbia (DC) offered the optional Poverty-Related eligibility pathway.[82] Seventeen states and DC had an income standard that was set at 100% of the FPL under the Poverty-Related pathway; seven maintained a more restrictive income standard than 100% of the FPL. For example, Florida's standard was 88% of the FPL, and Idaho's was 77% of the FPL.

Special Income Level

The optional Special Income Level eligibility pathway allows states to establish a higher income standard for Medicaid coverage of nursing facility services and other institutional services, sometimes referred to as the *special income rule*, or the "the 300% rule."[83] To be eligible for Medicaid through this pathway, individuals must

- require care provided by a nursing facility or other medical institution for no less than 30 consecutive days, and
- have an income standard that does not exceed a specified level—no greater than 300% of the SSI FBR (i.e., the maximum SSI payment), which is approximately 222% of the FPL.[84]

Only the applicant's income (i.e., no income from spouses) is counted, and all income sources are counted in determining eligibility; there are no income disregards or deductions.[85] For individuals seeking eligibility based on being aged 65 and older, or having blindness, or disability, the SSI

[79] SSA §1902(a)(10)(A)(ii)(X); SSA §1902(m)(1). Eligible pregnant women (through 60 days following pregnancy) and infants up to one year of age with family incomes up to 133% of the FPL based on the size of the family.

[80] 209(b) states may use more restrictive income-counting methodologies. See §3496 of the CMS State Medicaid Manual, https://www.cms.gov/Regulations-and-Guidance/guidance/Manuals/Paper-Based-Manuals-Items/CMS021927.html.

[81] Ibid. States that offer the Medically Needy eligibility pathway, which has higher resource standards, may use the higher standards for the poverty-related eligibility pathway.

[82] MACPAC, *MACStats: Medicaid and CHIP Data Book*, Exhibit 37, pp. 109-111, December 2018.

[83] SSA §1902(a)(10)(A)(ii)(V); 42 C.F.R. §435.236.

[84] States may use a level that is lower than the 300% of the SSI FBR if they choose.

[85] In certain states, Medicaid applicants can place income in excess of the Special Income Level income standard into a Qualified Income Trust, also known as a Miller Trust, and become Medicaid eligible. States that offer only the Special Income Level optional pathway, and not a Medically Needy program, which allows spend-down of income to qualify for Medicaid, must offer a Qualified Income Trust (SSA §1917[d][4][B][iii]). States that use the combination of the Special Income Level pathway with a Qualified Income Trust effectively allow individuals to qualify for Medicaid with income levels above 300% of the SSI federal benefit rate. Following the individual's death, any amounts in the trust are paid to the state Medicaid program up to the amount of total medical assistance paid by the state while the trust was in effect.

resource standard and resource-counting methodology are used to determine eligibility. States may also use Section 1902(r)(2) of the SSA to disregard additional income or resources. Under the Special Income Level pathway, eligibility starts on the first of the 30 days that the individual resides in an institution. Thus, Medicaid can cover all of the care an individual receives in a nursing facility. In 2018, 42 states and the District of Columbia used the Special Income Level to enable persons to qualify for Medicaid coverage of institutional care.[86]

Special Home and Community-Based Services Waiver Group

The Special Home and Community-Based Services (HCBS) Waiver Group eligibility pathway allows states to extend Medicaid eligibility to individuals receiving HCBS under a waiver program[87] who require the level of care provided by a nursing facility or other medical institution.[88] This eligibility pathway is sometimes referred to as the "217 Group" in reference to the specific regulatory section for this group, 42 C.F.R. Section 435.217. States use the highest income and resource standard of a separate eligibility group covered by the state plan under which an individual would otherwise qualify if institutionalized. For example, states that offer the Special Income Level pathway described above can extend eligibility to waiver program participants with income up to 300% of the SSI FBR. States must use the income- and resource-counting methodologies used to determine eligibility for this same eligibility group. States may also apply Section 1902(r)(2)'s more liberal income-counting rules to this group.

Home and Community-Based Services State Plan Option

States may establish an independent eligibility pathway into Medicaid through the Home and Community-Based Services (HCBS) State Plan option. This option is made available by extending the required and optional Medicaid state plan services, sometimes referred to as "traditional" Medicaid services, to individuals who are also receiving a targeted package of HCBS state plan services.[89] In general, receipt of the Medicaid HCBS State Plan option is conditional on an individual having a need for long-term care (i.e., individuals must meet certain level-of-care criteria). Unlike Section 1915(c) HCBS waiver programs, which require that eligible individuals need the level of care provided in an institution (e.g., hospital or nursing facility), the HCBS state plan option delinks this requirement so that individuals with long-term care needs are not required to meet an institutional level of care need. The HCBS State Plan option was first enacted under the Deficit Reduction Act of 2005 (DRA; P.L. 109-171) and amended under the ACA.[90]

The income standard for the HCBS State Plan option applies to individuals who have income no higher than 150% of the FPL. For individuals who otherwise meet the requirements for an approved

[86] MACPAC, *MACStats: Medicaid and CHIP Data Book*, Exhibit 37, pp. 109-111, December 2018.

[87] Generally, states use Section 1915(c) to waive certain Medicaid state plan requirements to provide Home and Community-Based Services (HCBS) under a waiver program, subject to CMS approval.

[88] SSA §1902(a)(10)(A)(ii)(VI); 42 C.F.R. §435.2217.

[89] SSA §1902(a)(10)(A)(ii)(XXII); states are not required to create a new eligibility pathway to Medicaid in order to offer the Home and Community-Based Services (HCBS) State Plan optional benefits. Instead, states may choose to extend HCBS State Plan benefits to individuals eligible for Medicaid through existing mandatory or optional eligibility pathways. In this case, states must choose the eligibility group(s) to extend HCBS State Plan benefits, as well as determine other eligibility factors. For more information on the HCBS State Plan Option, see CRS Report R43328, *Medicaid Coverage of Long-Term Services and Supports*.

[90] Prior to enactment, states generally offered HCBS under Section 1915(c) waiver programs, which required that eligible individuals need the level of care provided in an institution, such as a hospital or nursing facility. Under the HCBS state plan option, individuals are not required to meet an institutional level-of-care need.

waiver program, the income standard can be no higher than 300% of the SSI FBR. States may choose to cover individuals under either or both income standards.[91] Generally, states use SSI income-counting methodologies; however, states have some discretion to apply alternative methodologies, subject to the approval of the Secretary of HHS. There are no resource standards for this eligibility group, with the exception for those individuals who seek to establish eligibility based on an approved waiver program. For these individuals, states must use the same income and resource standards and counting methodologies as applied to those individuals eligible under the applicable waiver program. States may also use Section 1902(r)(2) of the SSA to disregard additional income or resources.

In 2018, the most recent year for which data are available, 15 states and the District of Columbia offered at least one Section 1915(i) HCBS State Plan option; however, only two states (Indiana and Ohio) used this state plan authority as an independent eligibility pathway to Medicaid.[92] As another option, states may choose to provide HCBS state plan services to those who are eligible for Medicaid under one of the state's existing Medicaid eligibility pathways.

Katie Beckett

Enacted under the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA; P.L. 97-248), the Katie Beckett optional pathway provides coverage to severely disabled children whose parents' income is otherwise too high for the child to qualify for Medicaid LTSS at home.[93] Under the Katie Beckett pathway, states may extend Medicaid coverage to disabled children who meet the applicable SSI definition of disability and who are age 18 or younger and live at home. In addition, the state must determine that (1) the child requires the level of care provided in an institution, (2) it is appropriate to provide care outside the facility, and (3) the cost of care at home is no more than institutional care. States electing this option are required to cover all disabled children who meet these criteria.[94]

States must use SSI income and resources rules to determine eligibility; however, only the child's income and resources, if any, are counted. Parents' income and resources are not counted. A child's income cannot exceed the highest income standard used to determine eligibility for any separate group under which the individual would be eligible if institutionalized. In general, states set income standards up to 300% of the SSI FBR, which is about 222% of the FPL. States may not use Section

[91] 42 C.F.R. §435.219.

[92] M. Musumeci, P. Chidambaram, and M. O'Malley Watts, *Medicaid Financial Eligibility for Seniors and People with Disabilities: Findings from a 50-State Survey*, The Kaiser Family Foundation, June 2019, http://files.kff.org/attachment/Issue-Brief-Medicaid-Financial-Eligibility-for-Seniors-and-People-with-Disabilities-Findings-from-a-50-State-Survey.

[93] SSA §1902(e)(3), as amended by §134 of TEFRA; 42 C.F.R. §435.225. This eligibility pathway is named for Katie Beckett, a disabled child from Iowa who had been hospitalized but whose conditions could be treated at home. At the time, federal statute required her to remain institutionalized in order to receive Medicaid coverage. In 1981, the Reagan Administration exercised its authority under SSA §1614(f) to allow Katie Beckett, and children in similar situations, to live at home while retaining their Medicaid coverage. The Katie Beckett waiver required that only the child's income and resources be counted for determining eligibility. After TEFRA was enacted, some states converted existing waivers into state plan amendments but in many cases continued to refer to their programs as the Katie Beckett or TEFRA waiver. In addition, some states choose to cover severely disabled children under a Section 1915(c) Home and Community-Based Services Waiver Program rather than under the state plan.

[94] Children who meet these standards would be eligible for Medicaid even though they do not receive SSI, as they are deemed, for Title XIX purposes only, to be receiving SSI or SSP. 209(b) states that do not extend Medicaid eligibility to disabled SSI/SSP recipients under the age of 19 may not offer this optional pathway. See §3589 of the CMS State Medicaid Manual, https://www.cms.gov/Regulations-and-Guidance/guidance/Manuals/Paper-Based-Manuals-Items/CMS021927.html.

1902(r)(2) of the SSA to use more liberal income- or resource-counting methodologies. In 2018, the most recent year for which data are available, 24 states and the District of Columbia offered the Katie Beckett pathway under their Medicaid state plan.[95]

Buy-In Groups

There are several optional Medicaid Buy-In eligibility pathways for working individuals with disabilities or working families who have a child with a disability. In general, individuals eligible under Buy-In pathways would be eligible for Medicaid except for the fact that their income is higher than the income standard allowed by the SSI program under Section 1619(b) of the SSA, which varies by state. Medicaid Buy-In pathways are designed to allow disabled individuals to work and still retain their Medicaid coverage, or to use their Medicaid coverage to access wraparound services that are not covered under an employer-sponsored plan. States can also impose premiums or other types of cost-sharing requirements on eligible individuals, which can be done on a sliding scale based on income. The extent to which states impose premiums and cost-sharing varies by state.

Medicaid Buy-In pathways include the BBA 97 Eligibility Group, the Basic Eligibility Group, and the Medical Improvement Group. There is also a separate Buy-In pathway for disabled children, called the Family Opportunity Act. In 2018, the most recent year for which data are available, 44 states and the District of Columbia chose to offer coverage through at least one Buy-In pathway.[96]

BBA 97 Eligibility Group

Enacted under Section 4733 of the Balanced Budget Act of 1997 (BBA 97; P.L. 105-33), this optional pathway is available to individuals with disabilities who work and have family income below 250% of the FPL, based on the size of the family.[97] Individuals with disabilities must meet the SSI program's applicable definition of disability. Each state determines what constitutes a "family" for the purposes of this eligibility group.[98] Family income is determined by applying the SSI income-counting methodology. In addition to the family income requirement, the applicant's unearned income must be less than the SSI income standard. All earned income is disregarded. An individual's countable resources must be less than or equal to the SSI resource standard using the SSI resource-counting methodology. However, states may use Section 1902(r)(2) of the SSA to disregard additional income or resources.

[95] M. Musumeci, P. Chidambaram, and M. O'Malley Watts, *Medicaid Financial Eligibility for Seniors and People with Disabilities: Findings from a 50-State Survey*, The Kaiser Family Foundation, June 2019, http://files.kff.org/attachment/Issue-Brief-Medicaid-Financial-Eligibility-for-Seniors-and-People-with-Disabilities-Findings-from-a-50-State-Survey. Twenty states and the District of Columbia reported they offered the Katie Beckett pathway under their Medicaid state plan; 29 states reported they offered Katie Beckett under a waiver program; and 4 states reported offering both a Katie Beckett state plan amendment and waiver program.

[96] M. Musumeci, P. Chidambaram, and M. O'Malley Watts, *Medicaid Financial Eligibility for Seniors and People with Disabilities: Findings from a 50-State Survey*, The Kaiser Family Foundation, June 2019, http://files.kff.org/attachment/Issue-Brief-Medicaid-Financial-Eligibility-for-Seniors-and-People-with-Disabilities-Findings-from-a-50-State-Survey.

[97] SSA §1902(a)(10)(A)(ii)(XIII).

[98] See §3599 of the CMS State Medicaid Manual, https://www.cms.gov/Regulations-and-Guidance/guidance/Manuals/Paper-Based-Manuals-Items/CMS021927.html.

Ticket to Work Basic Eligibility Group

Enacted under Section 201 of the Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA; P.L. 106-170), this optional pathway is similar to the BBA 97 Eligibility Group but is available to people with higher levels of income (i.e., above 250% of the FPL).[99] There are no federal income or resource standards for the Basic Eligibility Group; rather, states can determine the income and resource standards, including no standards, rather than using the SSI program's requirements.[100] However, if a state chooses to establish an income and/or resource standard, SSI income- and resource-counting methodologies apply. States may use Section 1902(r)(2) of the SSA to disregard additional earned income above the SSI-earned-income disregard, including disregarding all earned income. Individuals with disabilities eligible under this pathway must be aged 16 to 64 and meet the SSI program's applicable definition of disability.

Ticket to Work Medical Improvement Group

The Medical Improvement Group pathway was also enacted under Section 201 of TWWIIA. For states to cover this eligibility group, they must also cover the TWWIIA Basic Eligibility Group. Individuals eligible under the Medical Improvement Group were previously eligible under the Basic Eligibility Group but lost that eligibility because they were determined to have "medically improved," meaning they no longer meet the definition of disability under the SSI or Social Security Disability Insurance (SSDI) programs but continue to have a severe medically determinable impairment.[101] Eligible individuals must be aged 16 to 64, earn at least the federal minimum wage, and work at least 40 hours per month or be engaged in a work effort that meets certain criteria for hours of work, wages, or other measures, as defined by the state and approved by the Secretary of HHS.[102] As with the Basic Eligibility Group, states may determine the income and resource standards, including no standards, for this pathway. Similarly, states may use Section 1902(r)(2) of the SSA to disregard additional earned income above the SSI-earned-income disregard, including disregarding all earned income.

Family Opportunity Act

Established under Section 6061 of the DRA, the Family Opportunity Act (FOA) optional pathway allows families with income up to 300% of the FPL to buy Medicaid coverage for their disabled child aged 18 or younger (states can exceed 300% of the FPL without federal matching funds for such coverage).[103] When determining a child's Medicaid eligibility, states choosing this pathway use the SSI program's applicable definition of disability, as well as SSI's income-counting methodology for a family, based on its size. There is no resource standard or applicable resource-

[99] SSA §1902(a)(10)(A)(ii)(XV). See CMS guidance to State Medicaid Directors (August 29, 2000), at https://downloads.cms.gov/cmsgov/archived-downloads/SMDL/downloads/smd082900.pdf#page=7.

[100] The Basic Eligibility Group is also known as the "Basic Coverage Group."

[101] SSA §1902(a)(10)(A)(ii)(XVI). See CMS guidance to State Medicaid Directors (August 29, 2000), at https://downloads.cms.gov/cmsgov/archived-downloads/SMDL/downloads/smd082900.pdf#page=7. SSI and Social Security Disability Insurance (SSDI) use the same basic definition of disability for adults. SSDI does not use a special definition of disability for children under the age of 18. For more information on SSDI, see CRS Report R44948, *Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI): Eligibility, Benefits, and Financing*.

[102] See CMS guidance to State Medicaid Directors (August 29, 2000), at https://downloads.cms.gov/cmsgov/archived-downloads/SMDL/downloads/smd082900.pdf#page=7.

[103] SSA §1902(a)(10)(A)(ii)(XIX).

counting methodology.[104] States may use Section 1902(r)(2) of the SSA to disregard additional earned income above the SSI-earned-income disregard. States must require certain parents of eligible children under the FOA optional coverage group to enroll in, and pay premiums for, family coverage through employer-sponsored insurance as a condition of continuing Medicaid eligibility for the child.[105]

Medically Needy

The Medically Needy option is targeted toward individuals with high medical expenses who would otherwise be eligible for Medicaid except that their income exceeds the income standards for other state-covered eligibility pathways. Individuals may qualify in one of two ways: either (1) their income or resources are at or below a state established standard, or (2) they spend down their income to the state-established standard by subtracting incurred medical expenses from their income. For example, if an individual has $1,000 in monthly income and the state's income threshold is $600, then the applicant would be required to incur $400 in out-of-pocket medical expenses during a state-determined budget period before being eligible for Medicaid. Examples of medical expenses that may be deducted from income include Medicare and other health insurance premiums, deductibles and coinsurance charges, and other medical expenses included in the state's Medicaid plan or recognized under state law. For individuals who spend down to Medicaid eligibility, states select a specific time period for determining whether or not the applicant meets the spend-down obligation, often referred to as a "budget period," which generally ranges from one to six months.

States that choose to offer the Medically Needy option must cover pregnant women and children under the age of 18, and may choose to extend eligibility to the aged, blind, or disabled, among other groups.[106] The Medically Needy option allows aged and disabled individuals who need expensive institutional LTSS to qualify for Medicaid nursing facility services. However, nursing facility services are optional services that states may elect to cover for Medically Needy individuals.[107]

Under the Medically Needy option, states establish the income eligibility standard; however, it may be no higher than 133⅓% of the state's AFDC level in 1996.[108] Typically, the AFDC level is lower than the income standard for SSI benefits. For example, in 2015 the median Medically Needy

[104] Personal communication from CMS, August 2018.

[105] SSA §1902(cc). States are permitted to pay any portion of the annual premiums that a parent is required to pay for family coverage under employer-sponsored insurance, which are considered payments for medical assistance under Medicaid.

[106] SSA §1902(a)(10)(C); 42 C.F.R. §435.301.

[107] States are not required to provide the full state plan Medicaid benefit package to the Medically Needy; rather, states have the option to provide a more limited Medicaid benefit package to enrollees, but at a minimum the package must offer (1) prenatal care and delivery services for pregnant women; (2) ambulatory services for children under the age of 19 and those entitled to institutional services; and (3) certain specified services if the state plan covers services in Institutions for Mental Diseases (IMDs) or Intermediate Care Facilities for Individuals with Developmental Disabilities (ICF/IDDs). The state must offer either of the following to Medically Needy: (1) the services contained in 42 C.F.R. §§440.10-440.50 and 440.165 (to the extent that nurse-midwives are authorized to practice under state law or regulations); or (2) the services contained in any seven of the sections in 42 C.F.R. §§440.10-440.165.

[108] 42 C.F.R. §§435.811 and 435.831. AFDC was replaced in 1996 by the Temporary Assistance for Needy Families (TANF) program; however, states' Medically Needy income standards remain linked to the old AFDC standards. States may choose to establish a higher income standard but can receive federal financial participation (FFP) only for individuals whose family income does not exceed 133⅓% of the state's AFDC level in 1996.

income standard for an individual was $483 per month, or about 49% of the FPL.[109] States use the SSI income-counting methodology for aged, blind, or disabled individuals. States also set the resource standards within certain federal requirements.[110] For aged, blind, or disabled individuals, the resource standard is generally the same as in the SSI program. In general, states must use SSI's applicable definition of disability when determining eligibility for the disabled eligibility group.[111] In 2018, 32 states and the District of Columbia offered coverage to the Medically Needy.[112]

[109] M. O'Malley Watts, E. Cornachione, and M Musumeci, *Medicaid Financial Eligibility for Seniors and People with Disabilities in 2015*, The Kaiser Family Foundation, March 2016.

[110] 42 C.F.R. §§435.840 and 435.845.

[111] 42 C.F.R. §435.324.

[112] MACPAC, *MACStats: Medicaid and CHIP Data Book*, Exhibit 37, pp. 109-111, December 2018.

Appendix. Medicaid Eligibility Pathways That Cover Older Adults and Individuals with Disabilities

Table A-1 lists selected Medicaid eligibility pathways that cover older adults and individuals with disabilities. These eligibility pathways are organized into two broad coverage groups: (1) SSI-Related Pathways and (2) Other ABD Pathways. The table includes a brief description of each pathway, the age criterion for eligibility, whether the pathway is mandatory or optional, the Social Security Act citation, and any applicable regulatory citations.

Table A-2 lists the income and resource standards, as well as the counting methodology, that applies to each standard for the selected Medicaid eligibility pathways that cover older adults and individuals with disabilities. In general, standards or limits on the amount of income and resources required for eligibility are expressed in relationship to the federal poverty level (FPL) or the SSI federal benefit rate (FBR). Where applicable, the income standard is presented as a monthly dollar amount for an individual in 2019. For state-specific information on Medicaid eligibility pathways for older adults and individuals with disabilities, see the following resources:

- M. Musumeci, P. Chidambaram, and M. O'Malley Watts, *Medicaid Financial Eligibility for Seniors and People with Disabilities: Findings from a 50-State Survey*, The Kaiser Family Foundation, June 2019, https://www.kff.org/medicaid/issue-brief/medicaid-financial-eligibility-for-seniors-and-people-with-disabilities-findings-from-a-50-state-survey/.
- MACPAC, *MACStats: Medicaid and CHIP Data Book*, Exhibit 37, pp. 109-111, December 2018, https://www.macpac.gov/wp-content/uploads/2018/12/December-2018-MACStats-Data-Book.pdf.

Table A-1. Medicaid Eligibility Pathways That Cover Older Adults and Individuals with Disabilities

Eligibility Pathways[a]	Description	Eligibility Age(s)	Mandatory or Optional	Social Security Act or Public Law Citation	Regulatory Citation
SSI-RELATED PATHWAYS					
SSI Recipients					
SSI Recipients in 1634 States or SSI Criteria States[b]	Aged, blind, or disabled individuals receiving SSI who live in states that use SSI criteria to determine Medicaid eligibility	Children under age 18; other individuals aged 18 and older	Mandatory	§1902(a)(10)(A)(i)(II)(aa)	42 C.F.R §435.120
SSI Recipients and Other ABD Individuals in 209(b) States[b]	Aged, blind, or disabled individuals (including SSI recipients) who live in states that use criteria that are more restrictive than SSI criteria to determine Medicaid eligibility	Children under age 18; other individuals aged 18 and older	Mandatory	§1902(f)	42 C.F.R. §435.121
Individuals Eligible for Only Optional SSPs	Aged, blind, or disabled individuals receiving only optional SSPs because their income is at least equal to the SSI income standard but less than the SSP income standard	Children under age 18; other individuals aged 18 and older	Optional	§1902(a)(10)(A)(ii)(IV); §1902(a)(10)(A)(ii)(XI); §1905(j)	42 C.F.R. §435.230(c)(2)(iv); 42 C.F.R. §435.232; 42 C.F.R. §435.234
Individuals Receiving Mandatory SSPs	Aged, blind, or disabled individuals receiving mandatory SSPs under Section 212 of P.L. 93-66 due to the implementation of SSI in January 1974	Individuals who were aged 18 and older in December 1973	Mandatory (closed to new enrollment)	§1939(a)(5)(D); §13(c) of P.L. 93-233	42 C.F.R. §435.130
Individuals with Earnings Above Certain Limits	1619(a) status: Disabled individuals who receive special SSI payments because their earnings exceed the substantial gainful activity (SGA) standard 1619(b) status: Blind or disabled individuals with income above the SSI income standard but who are deemed to be receiving SSI because they need Medicaid to continue working	Children under age 18; other individuals aged 18 and older	Mandatory	§1619(a); §1619(b); §1902(a)(10)(A)(i)(II)(bb); §1905(q); §1939(a)(2)(B)	20 C.F.R. §§416.260-416.269; 42 C.F.R. §§435.120-435.121

Eligibility Pathways[a]	Description	Eligibility Age(s)	Mandatory or Optional	Social Security Act or Public Law Citation	Regulatory Citation
Special Groups of Former SSI Recipients					
Recipients of Social Security COLAs After April 1977 ("Pickle Amendment")	Aged, blind, or disabled individuals who would continue to be eligible for SSI/SSP if not for increases in their Social Security benefits due to cost-of-living adjustments (COLAs) applied after April 1977	Children under age 18; other individuals aged 18 and older	Mandatory	§1939(a)(5)(E); §503 of P.L. 94-566	42 C.F.R. §435.135
Disabled Widow(er)s Receiving Benefit Increases under P.L. 98-21 ("ARF Widow[er]s")	Blind or disabled individuals who (1) have been continuously entitled to Social Security disabled widow(er)'s benefits since January 1984, (2) would continue to be eligible for SSI/SSP except for increases in their disabled widow(er)'s benefits due to the elimination of the additional reduction factor (ARF) under P.L. 98-21, and (3) applied for Medicaid continuation generally before July 1, 1988	Individuals who were at least aged 50 in April 1983	Mandatory (closed to new enrollment)	§1634(b); §1939(a)(2)(C)	42 C.F.R. §435.137
Disabled Adult Children	Blind or disabled individuals who (1) receive Social Security child's benefits due to a disability that began before age 22 and (2) would continue to be eligible for SSI/SSP if not for entitlement to (or an increase in) their Social Security benefits on or after July 1, 1987	Individuals aged 18 and older	Mandatory	§1634(c); §1939(a)(2)(D)	Not applicable
Widow(er)s Not Entitled to Medicare Part A ("Early Widow[er]s")	Blind or disabled individuals who (1) receive Social Security widow(er)'s benefits due to age or disability, (2) would continue to be eligible for SSI/SSP if not for their Social Security benefits, and (3) are not yet entitled to Medicare Part A	Individuals aged 50 to 64	Mandatory	§1634(d); §1939(a)(2)(E)	42 C.F.R. §435.138

Eligibility Pathways[a]	Description	Eligibility Age(s)	Mandatory or Optional	Social Security Act or Public Law Citation	Regulatory Citation
Recipients of a 1972 Social Security COLA	Aged, blind, or disabled individuals who (1) were entitled to Social Security in August 1972, (2) received cash assistance under a state plan for such month (or would have been eligible for such assistance in certain instances), and (3) would be eligible for SSI/SSP if not for an increase in their Social Security benefits due to a COLA enacted under P.L. 92-336	Individuals of any age who were entitled to Social Security in August 1972	Mandatory (closed to new enrollment)	§249E of P.L. 92-603	42 C.F.R. §435.134
Other SSI-Related Groups					
Grandfathered 1973 Medicaid Recipients	Essential spouses, institutionalized individuals, and blind or disabled individuals who were eligible for Medicaid in December 1973 and continue to meet the eligibility requirements in effect for that month	Individuals who were at least aged 18 in December 1973	Mandatory (closed to new enrollment)	§§230-232 of P.L. 93-66; §1905(a); §1939(a)(5)(A)-(C)	42 C.F.R. §§435.131-435.133
Individuals Who Are Eligible for but Not Receiving SSI/SSP	Aged, blind, or disabled individuals who meet the financial eligibility criteria for SSI/SSP but are not receiving such benefits	Children under age 18; other individuals aged 18 and older	Optional	§1902(a)(10)(A)(ii)(I)	42 C.F.R. §435.210; 42 C.F.R. §435.230(c)(1)
Individuals Who Would Be Eligible for SSI/SSP if They Were Not Institutionalized	Aged, blind, or disabled individuals who are ineligible for SSI/SSP because of the lower income standards used to determine eligibility for institutionalized individuals but who would be eligible for SSI/SSP if they were not institutionalized	Children under age 18; other individuals aged 18 and older	Optional	§1902(a)(10)(A)(ii)(IV)	42 C.F.R. §435.211; 42 C.F.R. §435.230(c)(2)(i)
Individuals Who Would Be Eligible for SSI/SSP if Not for Criteria Prohibited by Medicaid	Aged, blind, or disabled individuals who would be eligible for SSI/SSP if not for an eligibility requirement used in those programs that is prohibited by Medicaid	Children under age 18; other individuals aged 18 and older	Mandatory	Not applicable	42 C.F.R. §435.122

Eligibility Pathways[a]	Description	Eligibility Age(s)	Mandatory or Optional	Social Security Act or Public Law Citation	Regulatory Citation
OTHER ABD PATHWAYS					
Poverty-Related					
Individuals Who Have Income Up to 100% of the FPL	Aged or disabled individuals who have family income at or below 100% of the FPL	Any age	Optional	§1902(a)(10)(A)(ii)(X); §1902(m)(1)	Not applicable
Special Income Level					
Individuals in Institutions under a Special Income Level	Individuals who require care in a medical institution (e.g., nursing facility) for no less than 30 consecutive days and whose income does not exceed 300% of the SSI federal benefit rate (FBR)	Any age	Optional	§1902(a)(10)(A)(ii)(V)	42 C.F.R. §435.236
Special Home and Community-Based Services Waiver Group (§435.217 Group)					
Individuals Receiving HCBS Under Institutional Rules	Individuals receiving HCBS waiver services who have an institutional level-of-care need and who would be eligible for Medicaid if institutionalized	Any age	Optional	§1902(a)(10)(A)(ii)(VI)	42 C.F.R. §435.217
Home and Community-Based Services State Plan					
Individuals Receiving State Plan HCBS	Individuals who are not otherwise eligible for Medicaid and who are eligible for and will receive services through a state's approved §1915(i) HCBS state plan option	Any age (may be targeted toward certain populations)	Optional	§1902(a)(10)(A)(ii)(XXII); §1915(i)	42 C.F.R. §435.219
Katie Beckett					
Katie Beckett	Children with disabilities who have an institutional level-of-care need and who would be eligible for Medicaid if they were in a medical institution	Children under age 19	Optional	§1902(e)(3)	42 C.F.R. §435.225

Eligibility Pathways[a]	Description	Eligibility Age(s)	Mandatory or Optional	Social Security Act or Public Law Citation	Regulatory Citation
Buy-In Groups					
Balanced Budget Act of 1997 (BBA 97) Group	Blind or disabled individuals who (1) have earned income; (2) are in families whose incomes are less than 250% of the FPL; and (3) who would, but for their earnings, be considered to be receiving SSI	Any age	Optional	§1902(a)(10)(A)(ii)(XIII)	Not applicable
Ticket to Work (TWWIIA) Basic Eligibility Group	Blind or disabled individuals who (1) have earned income and (2) who would, but for their earnings, be considered to be receiving SSI	Children aged 16 to 18; other individuals aged 19 to 64	Optional	§1902(a)(10)(A)(ii)(XV)	Not applicable
Ticket to Work (TWWIIA) Medical Improvement Group	Individuals who have earned income and who lose eligibility under the TWWIIA Basic group due to an improvement in their medical condition such that they are no longer considered to have a disability	Children aged 16 to18; other individuals aged 19 to 64	Optional	§1902(a)(10)(A)(ii)(XVI)	Not applicable
Family Opportunity Act (FOA)	Children with disabilities whose family income is up to 300% of the FPL	Children under age 19	Optional	§1902(a)(10)(A)(ii)(XIX); §1902(cc)	Not applicable
Medically Needy					
Medically Needy	Children, adults, and aged, blind, or disabled individuals who are otherwise eligible for Medicaid but whose incomes are too high to qualify as categorically needy; and Medically Needy blind or disabled individuals eligible in 1973	Children under age 18; other individuals, any age	Optional	§1902(a)(10)(C)	42 C.F.R. §435.300; 42 C.F.R. §435.301; 42 C.F.R. §435.320; 42 C.F.R. §435.322; 42 C.F.R. §435.324; 42 C.F.R. §435.330; 42 C.F.R. §435.340

Source: Congressional Research Service analysis of the Social Security Act; U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services (CMS), *List of Medicaid Eligibility Groups*, https://www.medicaid.gov/medicaid-chip-program-information/by-topics/waivers/1115/downloads/list-of-eligibility-groups.pdf; and personal communication with CMS, February 2018.

Notes: ABD = Aged, Blind, or Disabled; BBA 97 = Balanced Budget Act of 1997 (P.L. 105-33); COLA = Cost-of-Living Adjustment; FOA = Family Opportunity Act; FPL = Federal Poverty Level; HCBS = Home and Community-Based Services; SSA = Social Security Act; SSI = Supplemental Security Income; SSP = State Supplementary Payment; TWWIIA = Ticket to Work and Work Incentives Improvement Act (P.L. 106-170).

a. The term "disabled" as it refers to the categorical criteria for eligibility under Medicaid, generally refers to the definitions of "disabled" for adults and children under the SSI Program. The term "aged" refers to individuals aged 65 and over. The term "blind" refers to individuals of any age who have 20/200 or less vision in the better eye with the use of correcting lenses or tunnel vision of 20 degrees or less. The table does not include other mandatory or optional pathways that are available to children and adults where the basis of eligibility is not contingent on being blind or disabled (e.g., infants and pregnant women in families with incomes between 133% and 185% of the federal poverty level [FPL]). Disabilities can be wide ranging and include, for example, physical limitations, visual impairments (i.e., blindness), intellectual or developmental disabilities, mental and behavioral health issues, traumatic brain injuries, and HIV/AIDS, among others.

b. "1634 States" are states that elect to provide Medicaid coverage for all SSI recipients automatically by contracting with the Social Security Administration for the agency to determine Medicaid eligibility for SSI recipients as part of the SSI application process. "SSI Criteria States" are states that provide Medicaid coverage for all SSI recipients but require them to file a separate application with the state or local Medicaid office. "209(b) States" are states that provide Medicaid coverage for only those SSI recipients who meet more restrictive eligibility criteria than SSI criteria.

Table A-2. Income and Resource Standards for Medicaid Eligibility Pathways That Cover Older Adults and Individuals with Disabilities

Eligibility Pathways[a]	Income Standard	Income-Counting Methodology	Resource Standard	Resource-Counting Methodology	Can states use more liberal methodologies under §1902(r)(2)?[b]
SSI-RELATED PATHWAYS					
SSI Recipients					
SSI Recipients in 1634 States or SSI Criteria States	SSI income standard (Federal benefit rate [FBR] in 2019: $771 per month for an individual [74% of the FPL]; $1,157 per month for a couple [82% of the FPL])	SSI income-counting methodology Certain income is disregarded, such as the first $20 per month of any income and the first $65 per month of earned income plus one-half of the remainder	SSI resource standard (≤$2,000 for an individual and ≤$3,000 for a couple)	SSI resource-counting methodology Certain resources are disregarded, such as an individual's primary residence, one car, household goods and personal effects, and property essential to self-support	No
SSI Recipients and Other ABD Individuals in 209(b) States	Either the SSI income standard or a lower income standard established by the state, provided such standard is no more restrictive than the one used by the state's Medicaid program in January 1972	Either the SSI income-counting methodology or a more restrictive income-counting methodology established by the state, provided such methodology is no more restrictive than the one used by the state's Medicaid program in January 1972 209(b) states must disregard the value of SSI, optional SSP, and any incurred medical expenses recognized under a state plan (i.e., spend down)	Either the SSI resource standard or a lower resource standard established by the state, provided such standard is no more restrictive than the one used by the state's Medicaid program in January 1972	Either the SSI resource-counting methodology or a more restrictive resource-counting methodology established by the state, provided such methodology is no more restrictive than the one used by the state's Medicaid program in January 1972	Yes

Eligibility Pathways[a]	Income Standard	Income-Counting Methodology	Resource Standard	Resource-Counting Methodology	Can states use more liberal methodologies under §1902(r)(2)?[b]
Individuals Eligible For Only Optional SSPs	SSP income standard (the combined amount of the SSI FBR and the maximum applicable SSP)	SSI income-counting methodology, except that states may elect to disregard additional income 209(b) states and certain SSI criteria states may use a more restrictive income-counting methodology than the one they use for SSI recipients	SSI resource standard; 209(b) states may use a more restrictive resource standard	SSI resource-counting methodology; 209(b) states may use a more restrictive resource-counting methodology	Yes
Individuals Receiving Mandatory SSPs	Income standard varies by individual	SSI income-counting methodology and the state rules effective in December 1973	Either the SSI resource standard or the resource standard effective in the individual's state of residence for October 1972, whichever is more advantageous to the individual (certain exceptions apply)	If the state uses the SSI resource standard, then the SSI resource-counting methodology applies If the state uses the resource standard in effect for October 1972, then state rules in effect at that time apply	No
Individuals with Earnings Above Certain Limits	1619(a) status: SSI income standard 1619(b) status: annual earnings standard determined by the Social Security Administration	SSI income-counting methodology	SSI resource standard	SSI resource-counting methodology	No[c]
Special Groups of Former SSI Recipients					
Recipients of Social Security COLAs After April 1977 ("Pickle Amendment")[d]	SSI/SSP income standard; 209(b) states may use a more restrictive income standard	SSI income-counting methodology, except that the amount of the Social Security benefit increase that caused ineligibility for SSI/SSP is	SSI resource standard; 209(b) states may use a more restrictive resource standard	SSI resource-counting methodology; 209(b) states may use a more restrictive resource-counting methodology	No[c]

Eligibility Pathways[a]	Income Standard	Income-Counting Methodology	Resource Standard	Resource-Counting Methodology	Can states use more liberal methodologies under §1902(r)(2)?[b]
		disregarded; 209(b) states may use a more restrictive income-counting methodology and may disregard all, part, or none of the Social Security benefit increase that caused ineligibility for SSI/SSP			
Disabled Widow(er)s Receiving Benefit Increases under P.L. 98-21 ("ARF Widow[er]s")[d]	SSI/SSP income standard; 209(b) states may use a more restrictive income standard	SSI income-counting methodology, except that the increase in the Social Security benefit due to P.L. 98-21 and any subsequent COLAs are disregarded; 209(b) states may use a more restrictive income-counting methodology but must disregard Social Security benefit increases described above	SSI resource standard; 209(b) states may use a more restrictive resource standard	SSI resource-counting methodology; 209(b) states may use a more restrictive resource-counting methodology	No[c]
Disabled Adult Children[d]	SSI/SSP income standard; 209(b) states may use a more restrictive income standard	SSI income-counting methodology, except that the amount of the Social Security benefit that caused ineligibility for SSI/SSP is disregarded; 209(b) states may use a more restrictive income-counting methodology and may disregard all, part, or none of the Social Security benefit that caused ineligibility for SSI/SSP	SSI resource standard; 209(b) states may use a more restrictive resource standard	SSI resource-counting methodology; 209(b) states may use a more restrictive resource-counting methodology	No[c]

Eligibility Pathways[a]	Income Standard	Income-Counting Methodology	Resource Standard	Resource-Counting Methodology	Can states use more liberal methodologies under §1902(r)(2)?[b]
Widow(er)s Not Entitled to Medicare Part A ("Early Widow[er]s")[d]	SSI/SSP income standard; 209(b) states may use a more restrictive income standard	SSI income-counting methodology, except that the amount of the Social Security benefit that caused ineligibility for SSI/SSP is disregarded; 209(b) states may use a more restrictive income-counting methodology and may disregard all, part, or none of the Social Security benefit that caused ineligibility for SSI/SSP	SSI resource standard; 209(b) states may use a more restrictive resource standard	SSI resource-counting methodology; 209(b) states may use a more restrictive resource-counting methodology	No[c]
Recipients of a 1972 Social Security COLA[d]	SSI/SSP income standard	SSI income-counting methodology, except that the 1972 Social Security COLA must be disregarded	SSI resource standard	SSI resource-counting methodology	No[c]
Other SSI-Related Groups					
Grandfathered 1973 Medicaid Recipients	State-established income standard in effect in December 1973	State-established methodology in effect in December 1973	State-established resource standard in effect in December 1973	State-established methodology in effect in December 1973	No
Individuals Who Are Eligible for but Not Receiving SSI/SSP[d]	SSI/SSP income standard; 209(b) states may use a more restrictive income standard	SSI income-counting methodology; for 209(b) states, a more restrictive income-counting methodology may be used and eligibility is determined *before* the deduction of any incurred medical expenses recognized under a state plan	SSI resource standard; 209(b) states may use a more restrictive resource standard	SSI resource-counting methodology; 209(b) states may use a more restrictive resource-counting methodology	Yes

Eligibility Pathways[a]	Income Standard	Income-Counting Methodology	Resource Standard	Resource-Counting Methodology	Can states use more liberal methodologies under §1902(r)(2)?[b]
Individuals Who Would be Eligible for SSI/SSP if They Were Not Institutionalized[d]	SSI/SSP income standard; 209(b) states may use a more restrictive income standard	SSI income-counting methodology; 209(b) states may use a more restrictive income-counting methodology	SSI resource standard; 209(b) states may use a more restrictive resource standard	SSI resource-counting methodology; 209(b) states may use a more restrictive resource-counting methodology	Yes
Individuals Who Would be Eligible for SSI/SSP if Not for Criteria Prohibited by Medicaid[d]	SSI/SSP income standard	SSI income-counting methodology, except that income excluded under Medicaid law must be disregarded	SSI resource standard	SSI resource-counting methodology, except that resources excluded under Medicaid law must be disregarded	No[c]
OTHER ABD PATHWAYS					
Poverty-Related					
Individuals Who Have Income Up to 100% of the FPL	Income standard no higher than 100% of the FPL based on the size of the family (≤$1,041 per month for an individual in 2019)	SSI income-counting methodology; states may employ a reasonable definition of a "family" for purposes of the individual's countable income	SSI resource standard; states with a medically needy program with a higher standard may use the higher standard	SSI resource-counting methodology	Yes
Special Income Level					
Individuals in Institutions under a Special Income Level	Income standard no higher than 300% of the SSI FBR ($2,313 per month for an individual in 2019; or about 222% of the FPL)	Applicant's gross income; no income disregards or deductions permitted (all of the applicant's income is counted in determining eligibility)	SSI resource standard for individuals eligible on the basis of age (65 and older), blindness, or disability	SSI resource-counting methodology	Yes
Special Home and Community-Based Services Waiver Group (§435.217 Group)					
Individuals Receiving HCBS Under Institutional Rules	The highest income standard of a separate eligibility group covered	Income-counting methodology used to determine eligibility for the	The highest resource standard of a separate eligibility group covered	Resource-counting methodology used to determine eligibility for	Yes

Eligibility Pathways[a]	Income Standard	Income-Counting Methodology	Resource Standard	Resource-Counting Methodology	Can states use more liberal methodologies under §1902(r)(2)?[b]
	under the state plan under which the individual would qualify if institutionalized	group under which the individual is seeking to establish eligibility if institutionalized	under the state plan under which the individual would qualify if institutionalized	the group under which the individual is seeking to establish eligibility if institutionalized	
Home and Community-Based Services State Plan					
Individuals Receiving State Plan HCBS	Income standard no higher than 150% of the FPL ($1,561 per month for an individual in 2019) May be up to 300% of the SSI FBR for individuals who otherwise meet the requirements for an approved §1915(c), (d), (e) or §1115 waiver operating in the state ($2,313 per month for an individual in 2019; or about 222% of the FPL)	Generally, SSI income-counting methodology, except that states have some discretion to apply a separate, reasonable methodology	No resource standard, except for those who seek to establish eligibility in the group based on meeting the eligibility requirements for a state's approved §1915(c), (d), (e) or §1115 waiver operating in the state	Resource-counting methodology under approved waiver	Yes
Katie Beckett					
Katie Beckett	Income standard no higher than the highest income standard used to determine eligibility for a group under which the individual would be eligible if institutionalized	SSI income-counting methodology, parents' and spouse's income disregarded	Resource standard no higher than the standard of the eligibility group under which the individual would qualify if institutionalized	SSI resource-counting methodology, parents' and/or spouse's resources disregarded	No

Eligibility Pathways[a]	Income Standard	Income-Counting Methodology	Resource Standard	Resource-Counting Methodology	Can states use more liberal methodologies under §1902(r)(2)?[b]
Buy-In Groups					
Balanced Budget Act of 1997 (BBA 97) Group	Two-part income test: (1) a state-established income standard up to 250% of the FPL based on the size of the family (the state may apply a reasonable definition of "family"); (2) the determination that the individual's unearned income is less than the SSI standard ($2,602 per month for an family of one in 2019)	SSI income-counting methodology; state defines what constitutes a "family," individual's earned income is disregarded	SSI resource standard	SSI resource-counting methodology	Yes
Ticket to Work (TWWIIA) Basic Eligibility Group	State-established income standard (including option to have no income standard)	If state establishes income standard, then SSI income-counting methodology applies	State-established resource standard (including option to have no resource standard)	If state establishes resources standard, then SSI resource-counting methodology applies	Yes
Ticket to Work (TWWIIA) Medical Improvement Group	State-established income standard (including option to have no income standard)	If state establishes income standard, then SSI income-counting methodology applies	State-established resource standard (including option to have no resource standard)	If state establishes resources standard, then SSI resource-counting methodology applies	Yes
Family Opportunity Act (FOA)	State-established income standard up to 300% of the FPL based on the size of the family; ($3,123 per month for an individual in 2019)	SSI income-counting methodology	None	Not applicable	Yes

Eligibility Pathways[a]	Income Standard	Income-Counting Methodology	Resource Standard	Resource-Counting Methodology	Can states use more liberal methodologies under §1902(r)(2)?[b]
Medically Needy					
Medically Needy	State-established income standard, but not higher than 133% of the of the state's AFDC level in 1996 209(b) states may establish a separate income standard for aged, blind, or disabled individuals that may be more restrictive	For aged, blind, or disabled individuals: SSI income-counting methodology	State-established resource standard that is no lower than the lowest resource standard generally applied under the cash assistance programs (i.e., AFDC, SSI) related to the group(s) covered, subject to certain requirements 209(b) states may establish a separate resource standard for aged, blind, or disabled individuals that may be more restrictive	For aged, blind, or disabled individuals: SSI resource-counting methodology; 209(b) states may use more restrictive resource-counting methodology Eligibility is based on countable resources equal to or less than applicable income standard	Yes

Source: Congressional Research Service analysis of the Social Security Act; HHS, "Monthly 2019 Poverty Guidelines for the 48 Continental United States," https://aspe.hhs.gov/poverty-guidelines; and personal communication with CMS, February 2018.

Notes: ABD = Aged, Blind, or Disabled; AFDC = Aid to Families with Dependent Children; BBA 97 = Balanced Budget Act of 1997 (P.L. 105-33); COLA = Cost-of-Living Adjustment; FOA = Family Opportunity Act; FPL = Federal Poverty Level; HCBS = Home and Community-Based Services; SSA = Social Security Act; SSI = Supplemental Security Income; SSP = State Supplementary Payment; TWWIIA = Ticket to Work and Work Incentives Improvement Act (P.L. 106-170).

a. Table does not include Medicaid Waiver pathways. Under Section 1915(c), HCBS waivers states must specify each Medicaid eligibility group included in the waiver. States may only include eligibility groups in the 1915(c) waiver that are already included in the state plan. Under Section 1115 waivers, states have used such waivers to expand eligibility to groups that go beyond those allowed under the state plan. States have also used Section 1115 waivers to modify the income and resource-counting rules and methodologies for specified eligibility groups.

b. §1902(r)(2) of the SSA permits states to apply income or resource methodologies that are less restrictive than a cash assistance-based methodology applicable to determining eligibility for an eligibility group. However, this provision applies only to certain eligibility pathways.

c. 209(b) states may use more liberal methodologies under §1902(r)(2) of the SSA.

d. 209(b) states must provide Medicaid to individuals under this pathway on the same basis as they provide Medicaid to SSI recipients (or SSP recipients if applicable), except where indicated in the table.

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