TO: Local District Commissioners, Medicaid Directors

FROM: Betty Rice, Director
Division of Consumer & Local District Relations

SUBJECT: Purposes of Medicaid Disability Reviews

EFFECTIVE DATE: Immediately

CONTACT PERSON: Local District Liaison
Upstate (518)474-8887 NYC (212)417-4500

The purpose of this GIS is to describe the circumstances under which a Medicaid disability review is to be performed. It clarifies and supersedes prior instructions.

Medicaid disability reviews are conducted for purposes of the Medicaid program; that is, a determination of disability must yield a Medicaid benefit for the applicant/recipient (A/R) or a financial benefit for the Medicaid program.

Some examples of a Medicaid benefit to the A/R include:

- more favorable budgeting that would enable a single adult or a member of a childless couple (S/CC) A/R to obtain Medicaid if he/she does not meet the public assistance standard of need;
- budgeting that would enable an A/R who is otherwise financially ineligible to obtain full Medicaid benefits, with or without a spenddown;
- exclusion of an asset from a transfer penalty if the A/R has transferred the asset to an adult child who is determined to be disabled.

An example of a financial benefit to the Medicaid program is the placement of a S/CC A/R into a federally participating category. Prior to the establishment of New York State's 1115 managed care waiver, such placement enabled the State to obtain federal funds for services provided to this population. Under the waiver, such placement contributes to the State's ability to demonstrate and maintain budget neutrality. (Budget neutrality is the requirement that federal funds spent under the waiver, which includes S/CCs, not exceed the funds that would have been spent without the waiver. Expenditures for S/CCs who are determined disabled are considered funds that would have been spent without the waiver.)

For these reasons, disability determinations are completed for all A/Rs under the age of 65 who are citizens or qualified aliens not in the federal five year ban, and who appear to meet the Social Security Administration (SSA) disability criteria. The A/R is given an informed choice between SSI-related budgeting and any other appropriate category when he/she is eligible under more than one category.

A disability determination may also be an option for an A/R who is financially eligible for Family Health Plus. If a Family Health Plus A/R needs services such as personal care that are available under the full Medicaid program, but not under Family Health Plus, the A/R may wish to have a disability review to obtain access to full Medicaid with a spenddown.

Disability determinations are completed for Aliessa aliens (qualified aliens in the five year ban and PRUCOL aliens) only if a determination of disability will provide a Medicaid benefit for the A/R. There is no financial benefit to the Medicaid program, as federal financial participation cannot be obtained for these A/Rs, nor are they included in the federal 1115 waiver. Thus, if an Aliessa alien A/R is eligible for full Medicaid coverage without a disability determination, there is no requirement to perform a Medicaid disability review for the A/R.