



November 6, 2024

Dear Colleague:

The New York State Department of Health (State or DOH) is seeking approval to implement a new demonstration program for its Medicaid Buy-In Program for Working People with Disabilities (MBI-WPD) consistent with state statutory changes enacted by New York's Legislature that become effective January 1, 2025. The State is requesting approval for this demonstration program from the Centers for Medicare & Medicaid Services (CMS) through an amendment to its 1115 Waiver described herein. The amendment would authorize an 1115 demonstration program that will become the State's new MBI-WPD program to help more working individuals with disabilities qualify for Medicaid, with the goal of helping to ensure that these individuals are able to pursue employment opportunities without fear of losing or not qualifying for Medicaid coverage.

The State has an existing MBI-WPD program which was developed based on the Balanced Budget Act of 1997, which allows states to establish Medicaid Buy-In programs for working individuals with disabilities. Additionally, the Federal Ticket to Work and Work Incentives Improvement Act (TWWIIA) of 1999 expanded legislation to allow states to establish two new optional Medicaid eligibility groups. The State opted to establish both the Ticket to Work Basic Group (SSA §1902(a)(10)(A)(ii)(XV)) and the Ticket to Work Medical Improvement Group (SSA § 1902(a)(10)(A)(ii)(XVI)). The goal of the MBI-WPD program is to allow working individuals with disabilities the opportunity to maintain financial independence through employment while retaining their Medicaid coverage, despite earnings that may result in income in excess of regular Medicaid limits.

Therefore, the State is seeking to implement a new MBI-WPD demonstration program that will establish enhanced eligibility rules, giving more New Yorkers with disabilities the opportunity to find and maintain employment while obtaining critical services needed to live and work independently in the community.

The State's current MBI-WPD program enrollees will be redetermined under the new rules at renewal so that current enrollees benefit from the enhanced eligibility. New York will maintain its State Plan authority for its current MBI-WPD State Plan Amendment (SPA) groups. Once the new demonstration program is implemented, all individuals (current and new) will be enrolled utilizing the new 1115 demonstration program and will not remain, or be enrolled in, the SPA groups.

The anticipated impact of this amendment on Tribal members is that working members with disabilities will benefit from enhanced Medicaid eligibility rules, giving more opportunity to find and maintain employment while obtaining critical Medicaid-funded services needed to live and work independently in the community.

With this amendment, the State is also requesting a change to the Special Terms and Conditions (STC) language governing the maximum number of allowable days for backfill payments in the Career Pathways Training (CPT) Program. The State is requesting an increase from the current limit of two days per week to up to five days per week. The anticipated impact of this amendment on Tribal

members is to help providers maintain staffing levels and minimize disruptions in care while an employee is receiving education and training through the Career Pathways Training program.

Eligibility, Benefits and Cost Sharing Requirements

Medicaid Buy-in Program for Working People with Disabilities Demonstration Program:

Under the State's current MBI-WPD eligibility rules, the income limit is 250% of the Federal Poverty Level (FPL) and resource limits are \$31,175 for a household of one and \$42,312 for a household of two based on 2024 FPLs. (Resource limits change annually based on FPL changes). In determining Medicaid eligibility for the States MBI-WPD program, all funds held in retirement funds or retirement accounts are disregarded. Income and resources of legally responsible relatives are included when determining MBI-WPD eligibility. The following premiums are permitted: when an MBI-WPD program participant's income is at or above 150% of the FPL but does not exceed 250% of FPL, the premium is 3% of net earned income plus 7.5% of net unearned income (premiums are not currently collected). Individuals with net income below 150% of the FPL are not subject to a premium requirement. Current CMS guidance permits the premium to be a maximum of 7.5% of the MBI-WPD individual's income, when the income is less than 450% FPL. There is no enrollment cap currently for the State's MBI-WPD program, and current enrollment stands at approximately 12,500 individuals. The State's MBI-WPD program participants must meet a minimum age requirement of 16 years of age and must be less than 65 years of age.

The State is seeking approval from CMS through this Section 1115 waiver to implement state statutory changes creating a new MBI-WPD demonstration program. The State's new MBI-WPD demonstration program will cover both the Ticket to Work Basic Group (SSA §1902(a)(10)(A)(ii)(XV)) and the Ticket to Work Medical Improvement Group (SSA § 1902(a)(10)(A)(ii)(XVI)). As the State does for its current MBI-WPD program, as described in New York's State Plan, the State seeks approval for its new MBI-WPD demonstration program to use the income methodologies of the Supplemental Security Income (SSI) program and resource methodologies that are more liberal than those used by the SSI program, including a continued disregard of all funds held in retirement funds or retirement accounts. Additionally, the State's new MBI-WPD demonstration program requests an exception to the deeming of income and resources of legally responsible relatives, as further detailed below.

For the Ticket to Work Medical Improvement Group (SSA § 1902(a)(10)(A)(ii)(XVI), the State will continue to use the statutory definition of "employed" (earning at least the federally required minimum wage and working at least 40 hours per month).

Following are the other MBI-WPD demonstration program eligibility requirements the State seeks (with corresponding authority requiring Section 1115 waiver or current approved State Plan disregard noted, if applicable):

- Establish an MBI-WPD program income standard of 2,250% of the Federal Poverty Level (FPL);
- Establish an MBI-WPD program resource standard of \$300,000;
- Disregard all funds held in retirement funds or retirement accounts and continued use of other more liberal methods of treating resources under New York's State Plan, as previously approved by CMS pursuant to SSA §1902(r)(2) for the State's current MBI-WPD program;
- Income and resources of legally responsible relatives will be deemed unavailable to the MBI-WPD applicant/recipient. This would waive the SSI-related budgeting methodology requirement that the income and resources of legally responsible relatives be deemed available to a Medicaid applicant. SSA §1612 (b)(4)(A) -(C); SSA §1613; SSA §1902(a)(10)(A)(ii)(XV),(XVI), SSA §1902(r)(2);

- Implementation of a new MBI-WPD premium structure, as outlined in the chart below. For incomes less than 400% FPL, the proposed premium structure does not exceed 6% of the individual's income;
- A cap of the MBI-WPD premium, not to exceed 8.5% of the MBI-WPD individual's income, for those with income of 400% to 450% FPL. The Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA) provides that the premium the individual must pay when income is 450% FPL or less must not exceed 7.5% of the individual's income. SSA §1916 (g)(1)(B);
- An MBI-WPD demonstration program enrollment cap of 30,000. Enrollment caps require CMS permission, and this enrollment cap would be applicable to the State's new MBI-WPD demonstration program; SSA §1902(a)(8); and
- Elimination of the age 65 limit (i.e., there will be no upper age limit imposed for MBI-WPD individuals). The Federal TWWIIA statute limits participation to those under the age of 65. SSA § 1902(a)(10)(A)(ii)(XV)-(XVI).

The State requests the following premium structure:

Income*	Monthly Premium
Less than 250% FPL	N/A
250%FPL or more but less than 300% FPL	the lesser of: \$347 or 4% of monthly income
300% FPL or more but less than 400% FPL	the lesser of: \$518 or 6% of monthly income
400% FPL or more but less than 500% FPL	the lesser of: \$779 or 8.5% of monthly income
500% FPL or more but less than or equal to 2,250% FPL	the lesser of: \$1,033 or 8.5% of monthly income

*SSI-related budgeting is used to determine net monthly income.

Benefits provided under this waiver amendment request will not change from those already provided under the State's Medicaid program.

The following chart shows the impact of the proposed MBI-WPD demonstration program on the State's current Ticket to Work Basic Group and Ticket to Work Medical Improvement Group participants:

Requirement	Current Requirement	Proposed Requirement
Income Limit	250% of FPL	2,250% of FPL
Resource Limit	2024 Resource Limits: <ul style="list-style-type: none"> • \$31,175 (household of one) • \$42,312 (household of two) 	\$300,000
Retirement Funds Other Liberal Resource Treatment	Disregard all funds held in retirement funds or retirement accounts; more liberal treatment of other resources under New York's State Plan pursuant to SSA §1902(r)(2)	(No change)
Legally Responsible Relative	Income and resources are counted	Criteria waived; income and resources not counted

Premiums	Applies when income is between 150% - 250% FPL; Premiums are 3% of net earned income plus 7.5% of unearned income	Applies when income is greater than or equal to 250% FPL; 4-tier structure depending on income
Enrollment Cap	No limit on the number of eligible participants	Limit of 30,000 participants in the program
Age Limit	Recipients must be at least 16 years old, but less than 65 years old	Recipients must be at least 16 years; upper age limit removed

The income, resource, legally responsible relative and age limit changes proposed through this waiver amendment would be beneficial to program enrollees, as each of these changes is either more generous or remains unchanged compared to current requirements. The premium structure is new, as is imposition of an enrollment cap.

Career Pathways Training Program Amendment:

There are no additional eligibility, benefit, or cost-sharing changes associated with the CPT program adjustment in this amendment.

Enrollment and Fiscal Projections

Medicaid Buy-in Program for Working People with Disabilities Demonstration Program:

The addition of the MBI-WPD demonstration program to the State’s 1115 waiver is estimated to result in an additional enrollment of approximately 2,195 members annually. This number reflects individuals who are net-new to Medicaid and not currently receiving services, and who do not meet the current criteria for the MBI-WPD program which has an income limit of 250% of FPL, members between ages 16-65, and members exceeding the 2024 resource limits of \$31,175 for a household of one and \$42,312 for a household of two. These new members may have income of greater than 250% of FPL and up to 2,250% of FPL, a resource standard of \$300,000, and may be older than 65 with the elimination of the age 65 limit. Current average annual 1115 enrollment is estimated to be 4.8 million.

This amendment is expected to increase the average annual demonstration cost of \$67.3 billion by \$57 million for the group described above. More detailed enrollment and cost breakdowns by demonstration year are included in the tables below.

1115 Waiver Amendment Projected Enrollment

Proposal	DY24	DY25	DY26	DY27	DY28
Projected Enrollment	4,709,605	4,723,377	4,735,030	4,746,899	4,758,993
Enrollment- Medicaid Buy-In	-	-	549	2,195	2,195
Total Projected Enrollment:	4,709,605	4,723,377	4,735,579	4,749,094	4,761,188

1115 Waiver Amendment Estimated Funding Schedule (\$ in Millions)

Proposal	DY24	DY25	DY26	DY27	DY28	Total
Estimated Cost	\$69,132	\$61,593	\$64,997	\$68,601	\$72,416	\$336,739
Estimated Cost-Medicaid Buy-In	-	-	\$30	\$125	\$131	\$286
Total Estimated Cost:	\$69,132	\$61,593	\$65,027	\$68,726	\$72,546	\$337,025

Career Pathways Training Program Amendment:

There is no change to projected enrollment or overall waiver cost associated with the adjustment to the CPT program.

Demonstration Evaluation and Hypotheses

The State will evaluate this waiver amendment in alignment with all CMS requirements. The State will amend its existing Evaluation Design to evaluate the hypothesis identified below and will include the methodology, measures and data sources that will be used to assess the impact of the amendment. This Evaluation Design will be incorporated into the current approved Evaluation Design. Additionally, the State will work with CMS to ensure that 1115 monitoring reports required by the STCs for the State's 1115 Demonstration are updated to incorporate monitoring and reporting for this amendment, as necessary and appropriate.

Medicaid Buy-in Program for Working People with Disabilities Demonstration Program:

Demonstration Evaluation and Hypothesis				
Goal: Expand coverage to eligible New Yorkers				
Hypothesis: More individuals in the targeted populations will be enrolled in Medicaid				
Research Question: Was there an increase in the percentage of working individuals with disabilities, including those over age 65, enrolled in the New York State Medicaid program?	Example Measure (Not Final): Enrollment	Population: Working individuals with disabilities enrolled in the MBI-WPD program.	Data Source: Administrative data	Analytic Methods: Descriptive Statistics
Goal: Improve Access to Health Care for Medicaid Members				
Hypothesis: Improved access to appropriate care setting				
Research Question: Is there a reduced rate of Emergency Department visits, especially for high-risk populations (persons with physical, intellectual and developmental disabilities)?	Example Measure (Not Final): Emergency Department visits; Emergency Department visits for Behavioral Health conditions	Population: Working individuals with disabilities enrolled in the MBI-WPD program.	Data Source: Administrative data	Analytic Methods: Descriptive Statistics; Interrupted time series

Career Pathways Training Program Amendment:

Demonstration Evaluation and Hypothesis				
Hypothesis: The amendment will advance health equity.				
Research Question: Increased workforce adequacy and diversity	Measure: Individuals trained, placed, and who receive loan repayment or Career Pathways Training program	Population: Participants in the loan repayment or Career Pathways Training program	Data Source: Administrative data	Analytic Methods: Trend over time; descriptive statistics; Interrupted time series

Waiver and Expenditure Authorities

Medicaid Buy-in Program for Working People with Disabilities Demonstration Program:

The State’s new MBI-WPD demonstration program will result in additional expenditures for healthcare related costs for the target population.

Waiver Authority: In addition to the waiver authorities already granted in the current 1115 waiver demonstration, the State is requesting the following waiver authority necessary to implement the new MBI-WPD demonstration program:

Waiver Authority		
#	Authority	Waived
1	Disregard all funds held in retirement funds or retirement accounts and continued use of other more liberal methods of treating resources under New York’s State Plan, as previously approved by CMS pursuant to SSA §1902(r)(2) for the State’s current MBI-WPD program.	SSA §1902(r)(2)
2	Deem income and resources of legally responsible relatives unavailable to the MBI-WPD applicant/recipient.	SSA §1612 (b) (4) (A)-(C) SSA §1613 SSA §1902(a)(10)(A)(ii)(XV),(XVI) SSA §1902(r)(2)
3	Impose a premium of 8.5% of monthly income for enrollees with income between 400-450% FPL.	SSA §1916 (g)(1)(B)
4	Implement an MBI-WPD demonstration program enrollment cap of 30,000 enrollees.	SSA §1902(a)(8)
5	Waive the age limit of 65 years of age.	SSA §1902(a)(10)(A)(ii)(XV),(XVI)

The State has concluded that the following remaining components of the proposed MBI-WPD demonstration program do not require a waiver of authority because they are permitted in accordance with federal statute at §1902(a)(10)(A)(ii)(XV)-(XVI) and corresponding CMS TWWIIA guidance but provides them here for clarity:

- (i) Establish both the Ticket to Work Basic Group (SSA §1902(a)(10)(A)(ii)(XV)) and the Ticket to Work Medical Improvement Group (SSA § 1902(a)(10)(A)(ii)(XVI));
- (ii) Set resource and income limits as the State determines to establish, and as are specified above in Eligibility, Benefits and Cost Sharing Requirements;
- (iii) Establish a premium structure for the MBI-WPD demonstration program as specified above in Eligibility, Benefits and Cost Sharing Requirements for:
 - (a) Income between 250%-400% of the FPL that does not exceed 6% of monthly income;
 - (b) Income between 500%-2,250% of the FPL that does not exceed 8.5% of monthly income.

Expenditure Authority:

Expenditure Authority	
Program	Authority
Medicaid Buy-In Program for Working People with Disabilities (MBI-WPD)	Expenditures to allow federal financial participation for the creation of an MBI-WPD demonstration program comprised of the Ticket to Work Basic Group (SSA §1902(a)(10)(A)(ii)(XV)) and the Ticket to Work Medical Improvement Group (SSA § 1902(a)(10)(A)(ii)(XVI)) that establishes: <ul style="list-style-type: none"> (i) An income limit of 2,250% of the FPL; (ii) A resource limit of \$300,000; (iii) A disregard of all funds held in retirement funds or retirement accounts and continued use of other more liberal methods of treating resources under New York's State Plan, as previously approved by CMS for the State's current MBI-WPD program; (iv) Income and resources of legally responsible relatives are deemed unavailable to the MBI-WPD applicant/recipient; (v) An income-based premium structure based on FPL, including a cap of the MBI-WPD premium not to exceed 8.5% of the MBI-WPD individual's income for those with income of between 400%-450% FPL; (vi) A program enrollment cap of 30,000; and (vii) Elimination of the age 65 limit.

Career Pathways Training Program Amendment:

There are no changes necessary to waiver or expenditure authorities to implement the proposed adjustment to the CPT program.

Submission and Review of Public Comments

A draft of the proposed amendment request is available for review at:

http://www.health.ny.gov/health_care/medicaid/redesign/med_waiver_1115/docs/mbi-wpd_cpt_draft_amend_request.pdf

For individuals with limited online access or who require special accommodation to access paper copies, please call (518) 473-0868. In addition, the DOH will be hosting two virtual public hearings, on Monday, November 25, 2024, and Wednesday, December 4, 2024, during which the public may provide oral comments. Any updates related to the public hearings will be sent via the MRT Listserv.

Prior to finalizing the proposed amendment application, the DOH will consider all written and verbal comments received. These comments will be summarized in the final submitted version. The DOH will post a transcript of the public hearings on the following website:

https://www.health.ny.gov/health_care/medicaid/redesign/medicaid_waiver_1115.htm.

Written comments will be accepted by email at 1115waivers@health.ny.gov (please include "Medicaid Buy-In Program for Working People with Disabilities (MBI-WPD) Demonstration Program and Career Pathways Training (CPT) Program Amendment" in the subject line) or by mail at:

NYS Department of Health
Office of Health Insurance Programs
Waiver Management Unit
99 Washington Avenue
8th Floor, Suite 826
Albany, NY 12210

All written comments must be postmarked or emailed by **December 13, 2024**.

We look forward to our continued collaboration.

Sincerely,



Amir Bassiri
Medicaid Director
Office of Health Insurance Programs

Cc: Selena Hajjani, NYSDOH
Jason Chura, NYSDOH
Simone Milos, NYSDOH
Michele Hamel, NYSDOH
Gabrielle Armenia, NYSDOH
Mary Frances Carr, NYSDOH
Sean Hightower, HHS
Nancy Grano, CMS