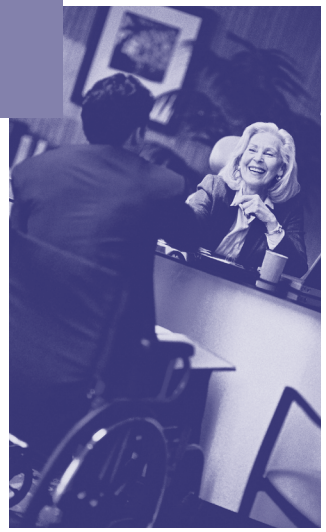
MaineCare

Updated Version ■ **May 2008**

Services for Workers with Disabilities

Chart Book



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Services for Workers with Disabilities

Chart Book

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Introduction

The MaineCare Workers with Disabilities (WWD) Option provides full MaineCare (Medicaid) coverage for people with disabilities who would otherwise be eligible for MaineCare if they did not earn income from a job. Started in 1999, it is one of the earliest state efforts to help people with disabilities work more without fear of losing their Medicaid benefits.

This Chart Book describes the MaineCare WWD Option and the people who have enrolled in it since its inception. It also offers information about disability in Maine and the nation. This is a revised version of the 2003 edition of the Chart Book. New features include information on employer perspectives, WWD Option enrollees' use of health services, expenditures for the Option, and the average earnings of WWD Option enrollees.

Working-age People with Disabilities

Under the Americans with Disabilities Act, a person has a disability if he or she has a physical or mental impairment that substantially limits one or more major life activities, a record of such impairment, or being regarded as having this impairment. Major life activities include walking, seeing, hearing, learning, self-care, speaking, lifting, reaching, thinking, performing manual tasks, breathing, working and interacting with others.[1]

People with disabilities are the largest minority in the United States. One in every eight U.S. residents ages 18 to 64 has a disability that makes it difficult to do activities such as walk, climb stairs, dress, bathe, learn or remember, go outside alone, or work at a job. [2]

In 2006, there were about 131,000 working-aged adults with a disability in Maine. Of these, 40% were employed. Employment of people with disabilities is about one-half the rate of those with no disability (81%)*. In Maine, the estimated employment rate fell for people with disabilities from 2003 to 2004, but has risen each year since then. Overall, workers with disabilities represent 8% of all working-age adults in Maine. In 2006, the median household income for a person with a disability was $33,650. [3]

In 2006, the most prevalent type of disability among working-age adults was physical, with an estimated 78,000

*These estimates are based on results from the 2006 American Community Survey (ACS). The ACS added a sample of individuals living in group quarters to the 2006 survey, but these individuals are not included in the estimates presented here.

or 10 percent reporting an impairment of this kind. Employment disabilities (9.8%), mental disabilities (6.7%), and sensory disabilities (3.3%) were the next largest categories.[4]

Many people with disabilities are working or looking for work. Nationally, 38% of working-age people with disabilities have jobs and another 6% are actively looking for work at any time.[2]

In general, employment participation in Maine is highest among adults with sensory disabilities and lowest among those with self-care, go-outside-the-home, and employment disabilities.* Of those who are of working-age, there has been an increase in the number of workers with mental disabilities (from 31% in 2003 to 34% in 2006). In contrast, employment of people with physical disabilities decreased from 36% to 31% over the same time period.[3] (See chart on page 7.)

The number of working-age adults in Maine who were employed full-time and had worked for at least one full year rose from 18% in 2004 to 23% in 2006.[3]

In one national survey, 79% of those without jobs said that they would prefer to be working. However, 31% of respondents mentioned concerns with losing benefits or health insurance as a reason for not seeking employment.[5]

In a 2001 survey of Maine households, respondents reported that one or more household members had a disability. Two out of three surveyed people with disabilities age 18 or older were working when their disability began. About one quarter of those who were working before their disability returned to work after their disability.[6]

*The ACS identifies six different types of activity limitations by using the following questions:

Does this person have any of the following long-lasting conditions:

1. Blindness, deafness, or a severe vision or hearing impairment? (Sensory)
2. A condition that substantially limits one or more basic physical activities such as walking, climbing stairs, reaching, lifting, or carrying? (Physical)

Because of a physical, mental, or emotional condition lasting 6 months or more, does this person have any difficulty in doing any of the following activities:

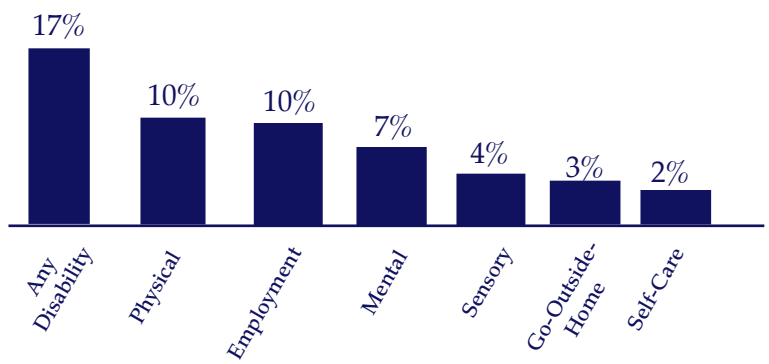
3. Learning, remembering, or concentrating? (Mental)
4. Dressing, bathing, or getting around inside the home? (Self-care)

Because of a physical, mental, or emotional condition lasting 6 months or more, does this person have any difficulty in doing any of the following activities:

5. Going outside the home alone to shop or visit a doctor's office? (Go-outside-the-home)
6. Working at a job or business? (Employment)

A person with a positive to response to one or more of these questions is defined as having a disability.

Prevalence of Disability in Maine Among Working-Age Adults, 2006[4]

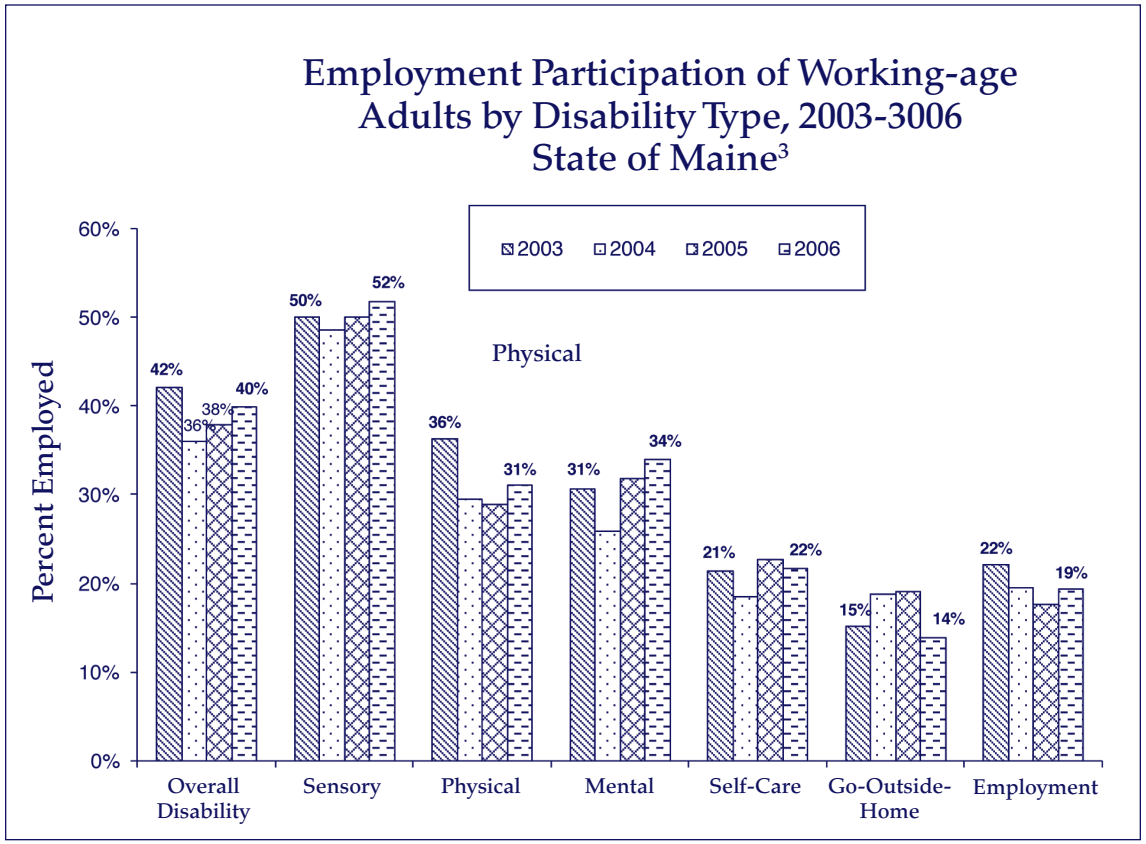


The need for mobility aids has increased over time. One third of people with disabilities use some kind of mobility aid, an increase from the one quarter reported in 1997. Of those who use a mobility device, over half use a cane, one third uses a wheelchair or scooter, and third use a walker.[6]

Computer use and literacy is an increasing need in today's society. A 2001 Maine survey found one in three people with disabilities use a computer. The younger the person, the more likely they are to be computer literate; over three quarters of youth with disabilities are computer literate compared to 12% for people age 65 or older. For those that do use a computer, most use a computer at home, but about a third also use one at work or school. While email and word processing are common uses of the computer, more than three quarters of users access the internet from home. Almost half use the internet to access disability information.[6]

In a 2006 survey of Maine employers, 15% of employers surveyed reported that they employed a person with a disability. Sixty-one percent of employers said they would feel "confident" about hiring a qualified person with a disability; the remaining employers reported feeling "nervous" or "unwilling." When asked what the greatest barrier to hiring people with physical or mental disabilities was, 36% reported that a person with a disability could not do the job. While liability and resources were also mentioned as barriers, attitude appears to be the biggest barrier with employers.[7]

Ten percent of Maine state employees surveyed in 2006 reported that they have a disability. Of those with a disability, over half (53%) had requested a job accommodation. The two main types of accommodation requests were adjustments to a workstation and flexibility with their work schedule or job location. When asked what helped them return to work or retain their job, the most common answers were: a supportive employer and co-workers, flexible work activities, flexible work schedules, and special equipment/medical devices.[8]



Development of Work Incentives

Related to Social Security and Health Insurance[10, 11, 12]

1935–2007

1935 **Social Security Act** (the "Act") enacted into law to provide benefits to the elderly, dependent children, and the blind.

1956 **Social Security Disability Insurance (SSDI)** program added to provide benefits for workers with disabilities and their dependents.

1965 **Medicare created** to provide health care coverage for the elderly. Medicaid created to provide health care coverage for people with low-incomes and those with a disability.

1972 **Supplemental Security Income (SSI) program created** to provide income to people who are aged, blind, or disabled who have low income. Medicare expanded to cover individuals who have received cash benefits under the disability insurance provisions of the Act for 24 months or more.

1987 **Section 1619 (b) added to the Act** to allow SSI recipients to retain Medicaid benefits even if earning too much to receive cash benefits.

1997 **Formal planning begins in Maine for a new Medicaid option** to provide health care coverage to workers with disabilities who earn too much to receive SSI benefits. Balanced Budget Act (BBA) allows states to create new Medicaid "Buy-In" work incentive programs.

1998 **State-level group recommends** that the Maine Legislature authorize **the Workers with Disabilities Option** under BBA authorization.

1999 **The federal government approves the new Maine Workers with Disabilities Option;** the first new enrollees under the option are accepted. **Ticket to Work and Work Incentives Improvement Act (TWWIIA) law passed;** the law provides additional work supports and incentives to work.

2000 **Maine CHOICES grant awarded** to provide resources to Maine Medicaid for enhancing supports under the Workers with Disabilities Option and other parts of the MaineCare (Medicaid) program.

2001 **Number of new enrollees in Maine Workers with Disabilities Option exceeds 1,000.**

2003 **Ticket to Work program rolled out in Maine;** the program provides greater options for Social Security beneficiaries to receive services that will help them find employment.

2003 **Medicare Modernization Act (MMA) is signed into legislation** to provide pharmacy assistance benefits to Medicare beneficiaries.

2006 **MMA is enacted.** Medicare beneficiaries have the option to choose a Part D plan to provide their pharmacy coverage. Medicare beneficiaries who are also Medicaid (MaineCare) members are required to have prescription coverage through a Part D plan.

2007 **A new, broader definition of physical and mental disability** is added to the Maine Human Rights Act.

A survey of employers who used the Job Accommodation Network found that the median cost of an accommodation was $250 and that most accommodations cost $500 or less. A number of accommodations may cost the employer nothing, such as a change in work schedule. Employers that have made such accommodations report improved productivity (54%) and that the accommodation made it possible for them to hire or retain a worker that would otherwise be unable to do the job (56%). [9]

Social Security Support for People with Disabilities

The Social Security Act (the "Act") was passed in 1935 to provide assistance to the elderly, dependent children, and people who were blind. In the late 1950s the Act was amended to provide monthly benefits to disabled workers and their dependents. This amendment created the Social Security Disability Insurance (SSDI) program, which is Title II of the Act.

Initially, the Act defined disability as the inability to work. Experience has shown that people with disabilities can work and that a limitation in one area does not prevent gainful work in another area. Since the Act was passed, many changes have been made which support people with disabilities who wish to return to work or enter the job market for the first time. Several key developments are listed on Page 8.

Medicaid and Medicare are two public health insurance programs that are part of the Social Security Act. Both programs were created in 1965. Many people with disabilities who receive benefits under the Social Security Administration qualify for one or both of these programs.

The Supplemental Security Income (SSI) program was added to the Act in 1972 as Title XVI. It provides cash assistance to older adults, people who are visually impaired, and people with disabilities who have low incomes. In Maine, people in the SSI program are automatically eligible for MaineCare (Medicaid) benefits.[10]

The Role of MaineCare in Assisting People with Disabilities

Most working-age people in the U.S. receive health insurance benefits through their employers. Many people who are not working must rely on publicly funded health insurance to provide affordable health benefits.

MaineCare (Medicaid) provides health insurance coverage for low-income people with disabilities. Covered services can include:[13]

- doctor visits
- medications and hospital stays
- assistance in the home with household tasks
- assistance with personal tasks such as eating
- nursing care in the home
- medical equipment and assistive devices

Between 16% and 23% of people with disabilities in Maine have MaineCare coverage.[14,15] MaineCare is paid for by the state and federal governments. The Maine state government pays 33% of the cost of MaineCare and the federal government pays the remaining 67%.[16]

One of the services MaineCare offers is personal assistance services. Generally, personal assistants help a person with a disability perform tasks that are limited by their disability.[17] Some service packages offer these services both at home and in the workplace. In 2003, just over a third of people with disabilities age 16-65 were enrolled in an option that offers personal assistance services. Almost one quarter those using these options used personal assistance services.[18]

The MaineCare Workers with Disabilities Options

When the SSI program was first enacted, individuals receiving SSI cash and health insurance benefits lost those benefits if they went to work and their earnings were too high to qualify for the program.

In 1987, Section 1619(b) of the Social Security Act was enacted. This provision allows workers with disabilities who receive SSI benefits to earn up to the state threshold amount ($22,454 in Maine) and still keep their MaineCare benefits. A person eligible for Section 1619(b) would no longer receive the SSI cash benefit.[19] Maine has an option very similar to Section 1619(b), called the MaineCare Workers with Disabilities Option. It helps people with disabilities who receive MaineCare benefits but can't use the 1619(b) option because their incomes are too high or they were not eligible for the SSI benefit to keep their MaineCare services while earning higher income. In addition, the MaineCare WWD Option helps workers with disabilities work more hours and perhaps qualify for health insurance provided by their employer. People with disabilities are eligible for the WWD Option based on their earnings, other income and assets.[20]

MaineCare Eligibility Rules for Workers with Disabilities

A person is eligible for MaineCare if he or she meets all of the following criteria:

- a disability according to Social Security Administration criteria;
- earned income from a job;
- countable unearned income (e.g. Social Security or other pension) is equal to or less than $867 a month (individual) or $1,167 a month (couple);
- countable unearned and earned income together is under $2,167 a month (individual) or $2,917 a month (couple);
- and assets valued under $8,000 (individual) or $12,000 (couple).

Note: Counted earned income is adjusted according to SSI policies. All dollar figures are current as of February 2008.[20] For the latest figures and more information, go to http://www.maine.gov/dhhs/beas/work.

Profile of Maine Workers with Disabilities Enrolling in MaineCare

Enrollment

Enrollment has increased at a steady rate since the option began in August, 1999. Between 2000 and 2006, a total of 3,358 people had enrolled in the WWD Option. This number represents about 4% of all people with disabilities who received MaineCare benefits during that time. (See chart on page 13.) As of December 2006, 801 people were currently enrolled in the WWD Option.[12]

Between January and December 2006, an average of 35 people enrolled in the WWD Option each month.[12]

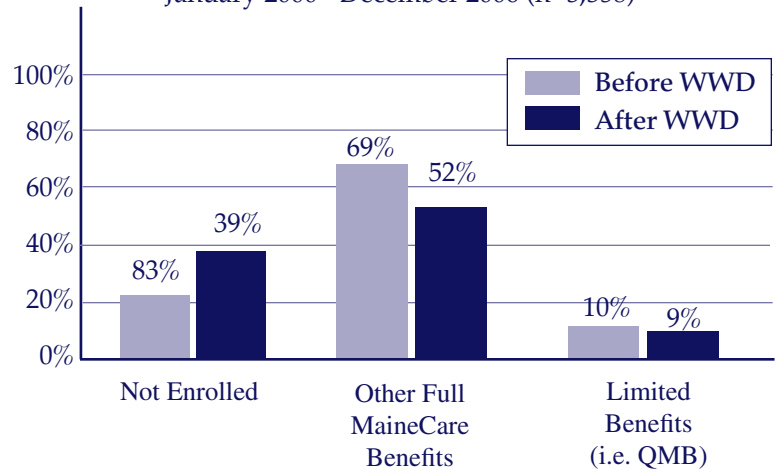
As of 2006, a person was enrolled in the WWD Option on average just under two years (21 months).[12]

Other Benefits

Most (79%) of the enrollees received MaineCare benefits before they enrolled in the WWD Option. As their earnings increased, they kept their MaineCare benefits by moving into the WWD Option. For those that received MaineCare before enrolling in the WWD Option, most were enrolled through a SSI-related category.[12] Seventy-nine percent of WWD Option enrollees have Medicare. In 2006, 64% of the WWD Option enrollees were Medicare beneficiaries before they enrolled in the WWD Option. An additional 15% became Medicare-eligible after they enrolled in the WWD Option because they turned 65 or completed the two-year waiting period. Since 2002, there has been a slight increase in the percentage of people who receive Medicare after being enrolled in the WWD Option (9% vs. 15%).[12]

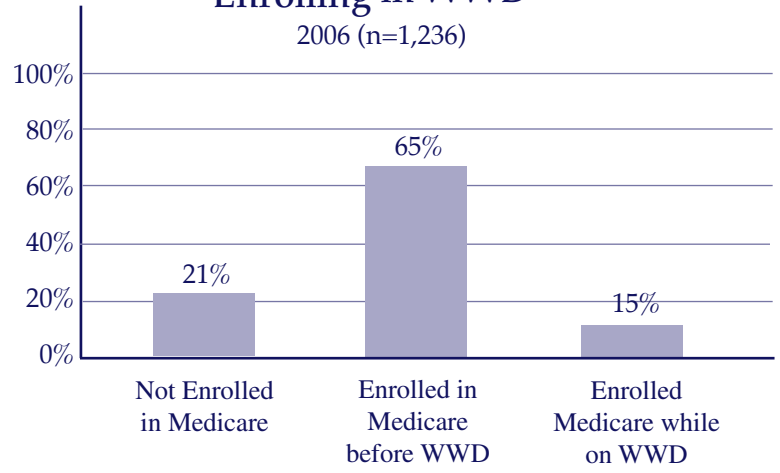
MaineCare Enrollment Status In the Month Before WWD and in the Month After Going off WWD[12]

January 2000 - December 2006 (n=3,358)



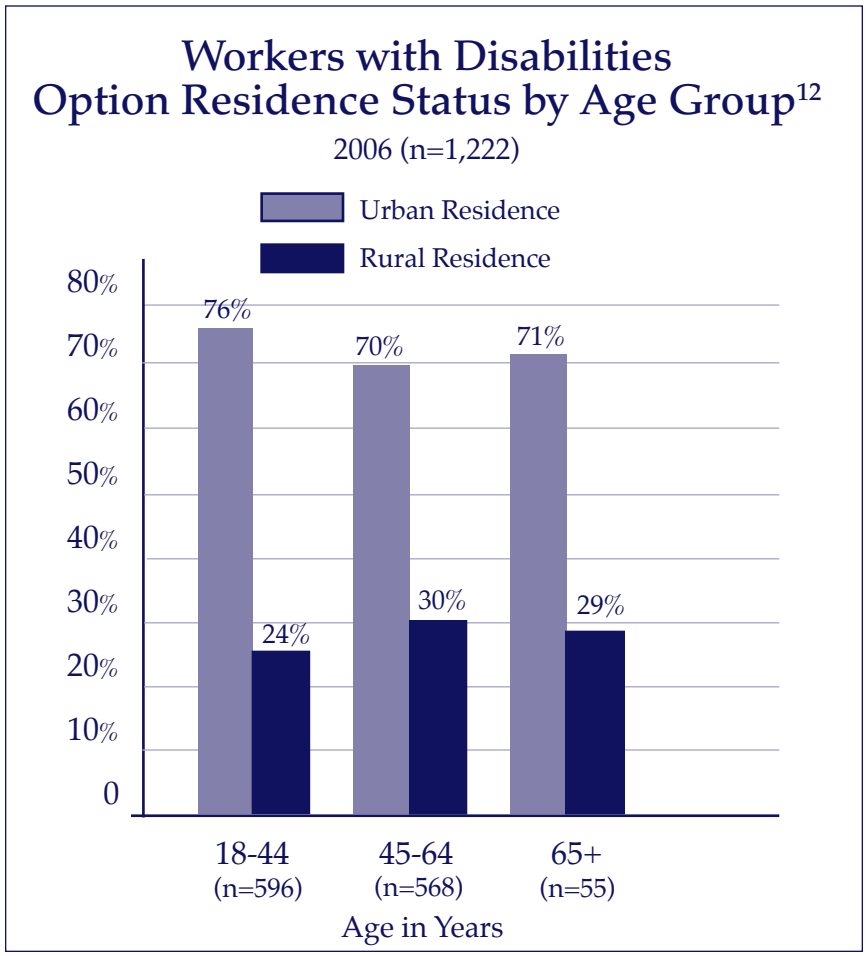
Medicare Enrollment Before and After Enrolling in WWD[12]

2006 (n=1,236)



■ Before and After Enrollment

Prior to enrolling in the WWD Option, 79% were enrolled in another MaineCare category while 21% were not enrolled in MaineCare previously. About one third of those that left the WWD Option went off MaineCare completely (39%). Over half (52%) of those that left became eligible for MaineCare under another eligibility category, and 9% received other limited benefits from MaineCare. The majority of those that went from the WWD Option to another MaineCare category received coverage through the SSI-related category.[12] Before enrolling in the WWD Option, 65% of enrollees previously had Medicare. An additional 15% of WWD Option enrollees become enrolled in Medicare after choosing the WWD Option.[12] (See charts page 11.)



■ Dual Eligibles

Dual eligibles are people who have both Medicare and Medicaid (MaineCare) for health insurance coverage. Seventy-nine percent of people enrolled in the WWD Option are dual eligibles. As part of the Medicare Modernization Act, dual eligibles are required to receive all prescription medications through a Part D plan. Previously, dual eligibles received their prescription medications through Medicaid. WWD Option dual eligibles were surveyed soon after this transition happened; 19% reported they had problems filling their medications. Since this survey was conducted during the initial Part D transition period, further research is needed to determine if problems accessing medications is a long-term issue.[21]

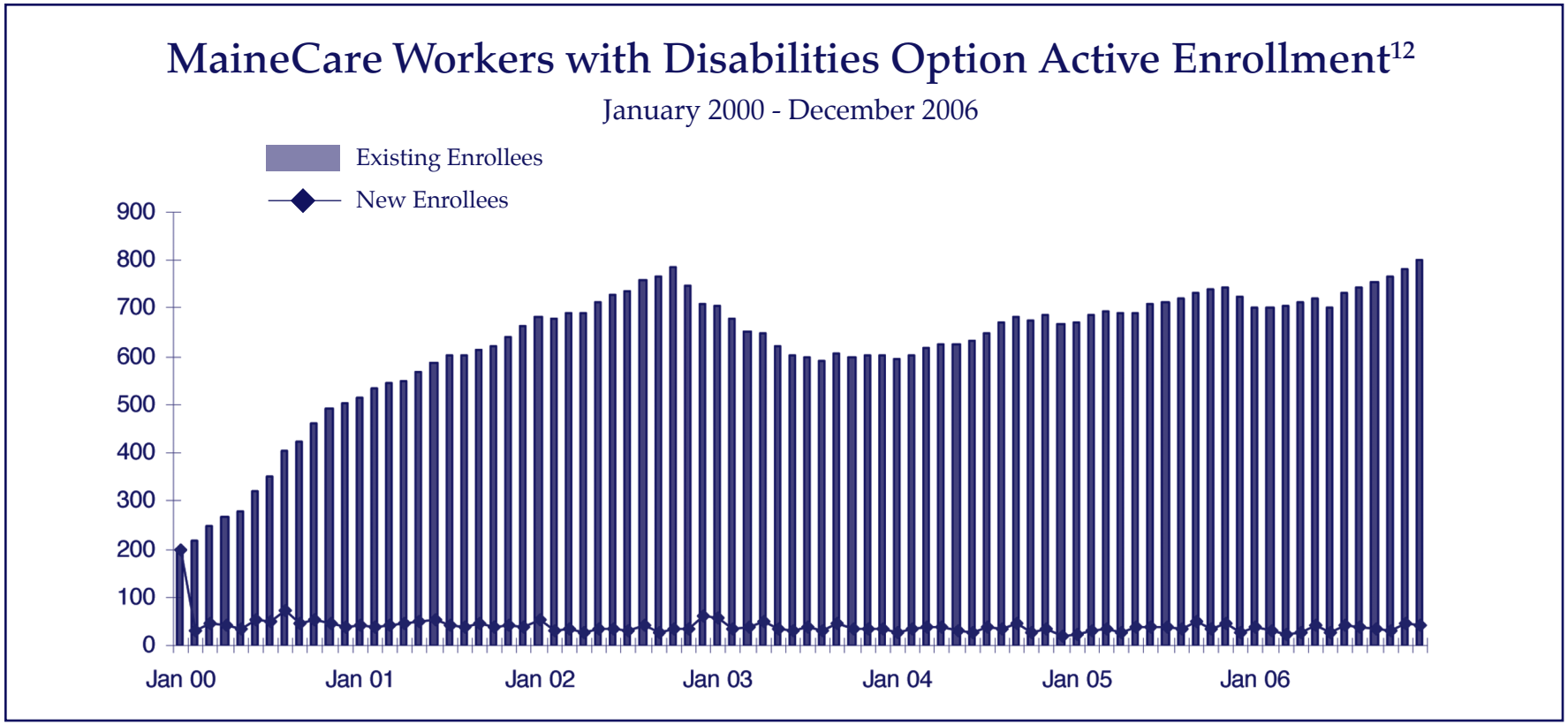
■ Demographics

Forty-two percent of people who enrolled in the WWD Option are between 18 and 44 years old. Forty-seven percent are between 45 and 64 years old. Eleven percent are 65 or older. The average age of WWD Option enrollees is 47 years old.[12]

The enrollees are almost evenly divided between men and women: 51% are women and 49% are men.[12]

Seventy-three percent of enrollees live in urban or suburban areas and 27% live in rural areas. Younger enrollees are more likely to live in urban areas compared to older enrollees.[12]

Almost three quarters of WWD Option enrollees live in an

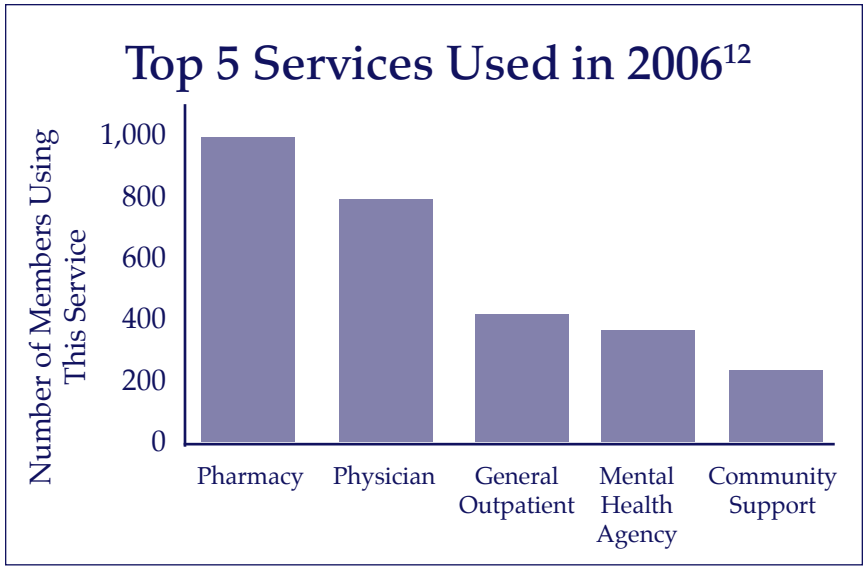


urban setting, regardless of age. Since the previous edition of this chartbook, there has been an increase in the number of people living in urban settings (60% in 2002 verses 71% in 2006) and a decrease in those living in rural settings (40% in 2002 verses 29% in 2006). [12]

While the overall number of enrollees in the Workers with Disabilities Option has been increasing each month, the number of new enrollees has been less than 100 people per month. Enrollment has increased from approximately 200 enrollees in January of 2000 to just over 800 enrollees in December 2006.[12]

■ Use of Health Services and Expenditures

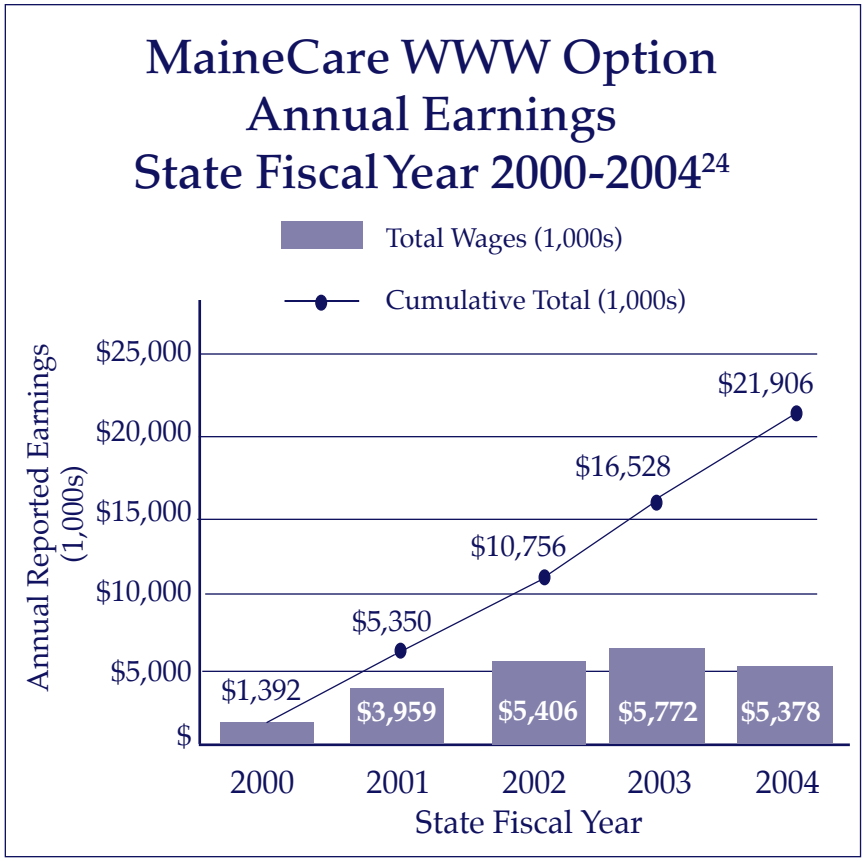
Many people with disabilities need assistance to perform certain functions. Some challenges that require assistance are difficulty seeing words and letters, trouble hearing normal conversation, speech impairments, difficulty lifting or carrying a 10-pound object, trouble climbing stairs without resting, and difficulty walking three city blocks.[22] In Maine, the most common functional challenges among people with disabilities involve walking, lifting, seeing, learning and communicating.[23]



In a 2003 survey question that asked WWD Option enrollees what their primary disability was, over half (63%) reported a physical or sensory impairment, about one third (29%) reported a mental health impairment, and 7% reported mental retardation. While these were the primary disabilities reported, many WWD Option enrollees have more than one medical or mental health condition.[24]

Among the WWD Option enrollees, the most common types of services paid for through MaineCare include pharmacy, physician, general outpatient, mental health, and community support.[12]

In 2006, the average monthly MaineCare payment was $535 per a member.[12] On a national perspective, the average monthly payment for a member in similar programs was



$984, which was 40% lower than the cost of other Medicaid enrollees with disabilities.[25] Since the majority of WWD Option members also have Medicare, a large number no longer received pharmacy benefits through MaineCare after December 2005. Paid claims for pharmacy services dropped from about $2.3 million in 2005 to almost $519,000 in 2006. Even with a 78% decrease in payments, pharmacy services are still one of the top five services used by WWD Option members.[12]

* The number of people with claims is higher than the enrollment number of 801 referenced earlier in the text because this enrollment number is a monthly snapshot and claims is looking at all members over the entire year.

■ **Earnings**

In 2004, the average annual earnings of a WWD Option member were estimated at $8,700.[24] This is well above the average annual earnings of $7,246 across states with similar programs.[26]

Annual earnings increased during the first two years of the WWD Option before leveling off from 2002 to 2004. Annual earnings increased from $1.4 million in 2000 to $4 million in 2001 and then averaged around $5.5 million from 2002 through 2004. Overall, earnings totaled almost $22 million for the first five years of the program. [24]

While earnings have increased over time, fewer than half of enrollees earn above the Substantial Gainful Activity (SGA) level. In 2008, the SGA level for individuals who are not visually impaired was $940 a month. Enrollees may keep their earnings below this limit because they fear losing their SSDI benefits. [24]

Participants' earnings before enrolling in the WWD Option were on average $1,832 per month. After enrolling in the WWD Option, their average earnings increased to $2,167 per month, an increase of $335. [24] Maine is one of eight states where more than 50% of enrollees increased their earnings after enrolling in a WWD Option program.[27]

This document is also available on the Internet in PDF at http://www.choicesceo.org/ProductsEvents/Chartbook.pdf or in Word at http://www.choicesceo.org/ProductsEvents/Chartbook.doc. Available in alternative formats upon request.

Sources of Additional Information

- CHOICES CEO project: http://www.choicesceo.org
- MaineCare Option for Workers with Disabilities: http://www.maine.gov/dhhs/beas/work
- Social Security Website: http://www.socialsecurity.gov
- Federal Centers for Medicare and Medicaid Services (CMS): http://www.cms.hhs.gov/TWWIIA/
- Center for the Study and Advancement of Disability Policy at George Washington University: http://www.medicaidbuyin.org
- Health and Disability Advocates: http://www.hdadvocates.org

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