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**Enrollment Projections for Nebraska's Medicaid  
Insurance for Workers with Disabilities (Medicaid  
Buy-In Program)**

Mary G. McGarvey, Ph.D.

March, 2003

## 1. Introduction

Many persons with significant disabilities are unable to obtain health insurance in the private sector that provides coverage of the services that enable them to live independently and enter, remain in, or rejoin the workforce. For individuals with disabilities currently receiving health care under Medicaid, the fear of losing their health care and related services is one of the greatest barriers keeping such individuals from maximizing their employment, earnings potential, and independence. For many individual SSDI and SSI recipients, the risk of losing Medicare and Medicaid coverage that is linked to their cash benefits is a risk that is an equal or greater work disincentive than the loss of cash benefits associated with working.

To allow workers with income levels higher than SSI requirements to maintain their Medicaid coverage, the federal government has provided states with an optional “Medicaid Buy-In program.” The Buy-In allows qualifying people with disabilities whose income levels are too high for them to receive SSI, to purchase Medicaid coverage much like one would purchase any health insurance policy. The Medicaid Buy-In was first made a state option through the 1997 Balanced Budget Act (Section 4733). The 1999 passage of TWWIIA expanded the number and type of choices states can make if they decide to implement a Medicaid Buy-In program.

States primarily support working persons with disabilities through implementation of Buy-In programs. Twenty-nine states (Bicameral Briefing on Medicaid Buy-in Programs for Working Individuals with Disabilities, 2001) have adopted some form of a Medicaid Buy-In program that enables persons with disabilities to continue eligibility for Medicaid-financed services.

States with Buy-In programs implemented them following guidelines outlined in either the **Balanced Budget Act** (1997) or in **TWWIIA** (1999). Older programs tend to follow BBA guidelines and newer programs tend to follow TWWIIA guidelines. Nebraska’s Buy-In program currently follows the BBA guidelines.

This report provides projections of the number of qualified unmarried Nebraskans expected to enroll in the current Medicaid Buy-In program. (The current policy is summarized in the table presented below.) To gauge the effect of changes in specific policy parameters, we also estimate enrollment in the program under different policy scenarios. These projections are based on a number of underlying assumptions. We assume that all qualified Nebraskans have complete knowledge of the program, there is no perceived social stigma attached to participation in the program, and that enrollment for qualified individuals is costless.

The report is organized around the presentation of six tables of population projections. After I describe the data and the general methodology, I present the detailed model and assumptions used to calculate the estimates presented in the tables.

### Summary of Nebraska's Medicaid Buy-In Eligibility Criteria

<b>Income Eligibility</b>	<b>Test A:</b> Unearned Income < FBR <b>Test B:</b> Countable Income < 250% FPG	<b>Countable Income Disregards:</b> SSI (first \$65 earned, \$20 earned/unearned, 50% of remaining), SSDI if in TWP, VA disability payment, Worker's Compensation, Civil Service disability, Private disability insurance	
<b>Asset limits</b>	\$4000 ind/\$6000 couple		
<b>Premium/Cost Sharing</b>	Net family income 200% FPG or less=\$0 200-210%FPG=2% of excess 210-220%=4% Sliding scale 240-250% FPG=10%	<b>Individual Premium</b> \$716-1431=\$0 \$1432-1502=\$29 \$1503-1574=\$61 \$1575-1645=\$96 \$1646-1717=\$134 \$1718-1789=\$175	<b>Couple Premium</b> \$968-1935=\$0 \$1936-2031=\$39 \$2032-2128=\$83 \$2129-2224=\$130 \$2225-2321=\$181 \$2322-2419=\$237

#### Data Sources

The projections are based on the distribution of characteristics of individuals from 18 to 64 years of age with self-reported work disabilities from the Current Population Survey (CPS) conducted jointly by the U.S. Bureau of the Census and the Bureau of Labor Statistics. These data are contained in the Annual Demographic Files for March 2000 and 2001.

There are a total of 2,064 persons aged 18 to 64 in the Nebraska samples where each person represents an average of 498 persons. (According to the 2000 Census there were 1,028,826 Nebraskans between 18 and 64 years old, giving a sampling weight of .002 for the CPS sample of all Nebraskans 18 to 64.) The number of individuals in these samples who have self-reported work disabilities is 180 or 8.72%.

We also use the national sample of 2,141 individuals with self-reported working disabilities from the CPS March 2001 Supplement to estimate labor force participation and earnings equations based on individual demographic characteristics and State Medicaid eligibility criteria. These equations form the basis of predictions of who will work in Nebraska and how much they will earn based on individual characteristics and Nebraska Medicaid eligibility criteria.

Additionally, national and state information published by the US Bureau of the Census and the Social Security Administration (SSA) is used to project the number of Nebraskans with self-reported work disabilities whose disabilities would qualify them for SSDI or SSI. This category of individuals is classified as having severe work disabilities.

## **Projection Methodology**

I use a sequential approach to project the number of enrollees in Nebraska's Medicaid Buy-In Program similar to Howe's ("Projecting Enrollment in a Medicaid buy-In Program for Ohio," by Steven R. Howe, 2001) methodology for projecting Ohio's enrollment. Howe classifies the population by SSDI/SSI participant group and then by Medicaid and employment history status to estimate the number of state residents who will both qualify and enroll in the program. By doing this, he takes into account the fact that program participation differs by subgroups and can make more efficient use of national and state statistics.

Although I use Howe's general sequential approach, I supplement it with predictions from econometric models estimated from the national CPS sample. The econometric models assume that individuals' choices, such as working or not working, are continuous functions of demographic and state policy variables. Estimation of these models using national data provides both conditional predictions of labor force participation and labor supply under a specific program and provides estimates of the effect of policy changes on individuals' work choice.

In Sections 2 and 3, I supplement the Nebraska and national CPS samples with relevant aggregate statistics published by the Census and SSA to estimate the number of Nebraskans with self-reported work disabilities and then to estimate those Nebraskans whose disability qualifies them for federal SSDI or SSI disability benefits. In Section 4, I present estimates of the number of Nebraskans who are unmarried and whose disability and whose income and asset levels qualify them for the Medicaid Buy-In program under Nebraska's current policy parameters. The final section presents projections of the number of qualified unmarried Nebraskans who will choose to work and enroll in the current program. Appendix B examines the effect on Nebraska's Buy-In enrollment projections from changing a number of policy parameters. Projections are presented under seven alternative policy scenarios.

### **2. Population of Nebraskans with Self-Reported Work Disabilities**

In this section, I present the relevant characteristics of the Nebraska 2000 and 2001 CPS samples and use them to estimate the relevant population figures. When possible, I compare these estimates to those based on Census or SSA sources to gauge the reliability of the CPS sample estimates. I then use these estimates to project the number of Nebraskans with reported work disabilities by SSDI or SSI status, and by Medicaid and work experience status. These figures are presented in Table 1.

**Work Disability:** According to the CPS Nebraska samples, 89,714 Nebraskans between 18 and 64 years old, or 8.72%, report a work disability. A person is considered to have a work disability if any of the following conditions were reported (a person might have reported multiple conditions):

- A health problem or disability limits the kind or amount of work (89% of the 89,714 people)
- A disability is the main reason for not working (31%)
- An individual is not in the labor force because of a disability (22%)

Published data from the U.S. Census Bureau shows that 9.38% of Americans aged 16 to 64 have a work disability.

**Employment:** Of the 89,714 people with a work disability, 63.33% showed some evidence of working or having worked recently, or at least of having wanted to work recently.

- 59.44% had worked at least once during the previous calendar year.
- 48.89% had a job at the time of the interview and an additional 3.33% were looking for work. The remaining people (47.78%) were not in the labor force.
- About 2.22% said at the time of the interview that they had tried to find a job last year

Note that the population of all persons with work disabilities includes persons with both serious and less serious work disabilities. The employment rates presented above are much higher than would be found among the subset of people whose disabilities are severe, such as persons who might qualify for SSDI or SSI.

**Health Insurance:** Of the 89,714 people with a work disability, only 17% reported that they had no health insurance during the previous calendar year. People might have reported having multiple forms of insurance, either because of simultaneous coverage or because of serial changes in coverage. Thus, the following percentages add to more than the percentage of people with coverage of any kind (83%).

- 21% reported Medicaid coverage.
- 14% reported Medicare coverage.
- 32% reported coverage through their current or former job or union.
- 34% reported some other form of health insurance, such as CHAMPUS (federal employees), VA (veterans) or private insurance other than through their job or union.

**SSDI and SSI Income:** According to the Social Security Administration, 25,320 Nebraskans of all ages received SSDI in 2000. Although this amount is reported for all ages, it should only be relevant for those under 65 years old since SSDI payments are reported as SS retirement payments after the recipient reaches retirement age. If one also assumes that relatively few Nebraskans under the age of 18 receive SSDI payments, then the 25,320 figure represents 28.21% of the 89,714 Nebraskans from 18 to 64 with work disabilities.

Based on the CPS Nebraska subsamples, there were 24,923 or 27.78% of Nebraskans from 18 to 64 with work disabilities who received SSDI. This figure assumes that no one in the sample received any retirement payments from Social Security.

The Social Security Administration (SSA) reports that 14,368 Nebraskans between the ages of 18 and 64 received SSI benefits in the year 2000. (This figure includes 779 individuals who were 1619b recipients and thus received Medicaid benefits but no cash payments.) Dividing this figure by 89,714, we find that, according to SSA, 16.02% of Nebraskans with work disabilities received SSI in 2000. According to the Nebraska CPS sample, however, only 11,466 or 12.78% of Nebraskans in this group were SSI recipients in the year 2000. (Part of this discrepancy could be due to that some of the 1619b recipients in the CPS sample were not counted as receiving SSI benefits because they did not report SSI payments.)

The number of Nebraskans (aged 18 through 64) who received both SSDI and SSI benefits in the year 2000 was 5,352 as reported by SSA (Table 43 in the 2000 Annual Statistical Report on SSDI Program). This corresponds to 5.97% of the 89,714 Nebraskans with work disabilities. In the CPS sample, 4.44%, or 3,983 Nebraskans with work disabilities reported receiving both SSDI and SSI payments.

To estimate the proportion of Nebraskans aged 18 through 64 reporting work disabilities who receive either SSDI or SSI benefits, one adds the proportions receiving either benefit and subtracts the proportion receiving both. If we base this estimate on our Nebraska CPS sample, we find that 36.12 % of our population received either SSDI or SSI benefits in the year 2000. If we base this estimate on the SSA reports, we estimate that 38.24% received at least one of the federal disability benefits. Thus, the two sources' estimates are relatively close suggesting that our CPS sample produces reliable estimates. We base our projections on the SSA estimate and assume that 38.24 % of 89,714, or 34,307, Nebraskans from 18 to 64 years old with work disabilities receive either SSDI or SSI benefits.

**Table 1: Projected Numbers of Persons with Work Disabilities  
(Nebraska Residents Ages 18 to64)**

		Evidence Of Work	No Evidence Of Work	Total
Persons Who Receive SSDI or SSI	Receives Medicaid	6,861	10,028	16,889
	Does Not Receive Medicaid	5,805	11,613	17,418
	Total	12,666	21,641	34,307
		Evidence Of Work	No Evidence Of Work	Total
Persons Who Do Not Receive SSDI or SSI	Receives Medicaid	1,446	964	2,410
	Does Not Receive Medicaid	41,915	11,082	52,997
	Total	43,361	12,046	55,407
		Evidence Of Work	No Evidence Of Work	Total
All Persons	Receives Medicaid	8,307	10,992	19,299
	Does Not Receive Medicaid	47,720	22,695	70,415
	Total	56,027	33,687	89,714



Table 1 presents the estimated number of Nebraskans aged 18 to 64 with self-reported work disabilities by SSDI or SSI status and by evidence of work and Medicaid status. According to these projections, about half of those receiving SSDI or SSI benefits receive Medicaid and about 37% have some evidence of work. Of those not receiving SSDI or SSI benefits, a little over 4% receive Medicaid and about 78% have some work evidence.

### **3. Population of Nebraskans with Qualifying (Severe) Work Disabilities**

Not every person represented in Table 1 has a disability that would meet the Medicaid severe work disability standard. In this section, I use published information on the U.S. disabled population and severely working disabled population by age and labor force status to estimate the number of Nebraskans represented in Table 1 whose disability would qualify them for SSI or SSDI disability benefits. The projections of the numbers of Nebraskans who have a severe work disability by SSDI/SSI status and by work evidence and Medicaid status are presented in Table 2.

According to the Census Bureau, 66.2% of 16 to 64 year olds who have a work disability meet the severe work disability standard. (See Table 2, Labor Force Status-Work Disability Status of Civilians 16 to 74 year old). Using this figure, we estimate that 59,391 Nebraskans (66.2% of the 89,714 Nebraskans with self-reported work disabilities) have a severe work disability.

Following Howe (2001), I assume that all of the 34,307 individuals represented in Table 1 who receive SSDI or SSI benefits have a severe work disability. Thus, 34,307 of Nebraskans with a severe work disability receive SSDI or SSI benefits and 25,084 do not. To find the distribution over work evidence status and Medicaid status of the non-SSDI and non-SSI recipients with severe work disabilities, we use the fact that those with severe work disabilities are less likely to be employed than those with less-severe work disabilities.

The Census Bureau reports a national employment rate of 8.3% for 16 to 64 year olds with a severe work disability. Because the employment rate of SSI disabled recipients in Nebraska is the fifth highest in the nation (16.3%, or 243% of the national employment rate of SSI disabled recipients) I adjust the national employment rates to account for this fact. I estimate the employment rate of Nebraskans with severe disabilities to be 20.2% (2.43 times the national rate of 8.3%). From these estimates, we find that 11,997 of Nebraskans with severe work disabilities are employed (20.2% of the 59,391 Nebraskans with severe work disabilities.)

The final step in estimating the number of Nebraskans with Medicaid-qualifying disabilities by each category in Table 1 is to combine the CPS labor force information with the estimated Nebraska employment rates. Given the assumption that those who receive SSDI or SSI have a Medicaid-qualified work disability, according to the CPS

sample, 6,861 Nebraskans with a severe disability are currently employed and receive SSDI or SSI. Of the Nebraska SSDI or SSI disabled recipients, 27,446 are not employed. Since there are a total of 11,997 employed Nebraskans with a severe disability, 5,136 of these persons do not receive SSDI or SSI. Therefore, 19,948 of the 25,084 Nebraskans who have a qualifying work disability and who are receiving neither SSDI nor SSI are not employed.

From the CPS sample, we estimate that 31,798 (57.39% of 34,307) Nebraskans with self-reported work disabilities who are not receiving SSDI or SSI are currently working and 23,609 Nebraskans in this group are not currently working. Based on our previous estimate, we know that of the 23,609 non-working Nebraskans in this group, 19,948 have a qualifying work disability. From this we estimate that 84.5% of Nebraskans with self-reported work disabilities who are neither employed nor receiving SSDI or SSI payments have a severe work disability.

Table 2 presents estimates of the number of Nebraskans with Medicaid qualifying work disabilities categorized by SSDI/SSI status, work evidence and Medicaid status. To estimate the proportion of Nebraskans not receiving SSDI or SSI who have severe work disabilities by Medicaid status, we follow Howe (2001) and assume that the proportion of non-employed non-SSDI/SSI recipients who qualify as severely work disabled is the same as the proportion of those with no work evidence who qualify as severely work disabled. Given this assumption, we estimate that there are 10,179 Nebraskans with a Medicaid-qualifying work disability who receive neither SSDI nor SSI and have no work evidence. Of these, 815 are currently receiving Medicaid and 9,364 are not. not receiving or 84.5% of the 12,046 Nebraskans not receiving SSDI or SSI with no work evidence.

**Table 2: Projected Numbers of Persons with Severe Work Disabilities  
(Nebraska Residents Ages 18 to64)**

		Evidence Of Work	No Evidence Of Work	Total
Persons Who Receive SSDI or SSI	Receives Medicaid	6,861	10,028	16,889
	Does Not Receive Medicaid	5,805	11,613	17,418
	Total	12,666	21,641	34,307
		Evidence Of Work	No Evidence Of Work	Total
Persons Who Do Not Receive SSDI or SSI	Receives Medicaid	499	815	1,314
	Does Not Receive Medicaid	14,406	9,364	23,770
	Total	14,905	10,179	25,084
		Evidence Of Work	No Evidence Of Work	Total
All Persons	Receives Medicaid	7,360	10,843	18,203
	Does Not Receive Medicaid	20,211	20,977	41,188
	Total	27,571	31,820	59,391

#### 4. Population of Unmarried Nebraskans with Medicaid-Qualified Work Disabilities

Table 3 presents estimates of the number of unmarried Nebraskans who qualify for the Medicaid Buy-In program for the working disabled by SSDI/SSI and Medicaid status. These individuals represent the relevant population for our enrollment projections under different policy scenarios. The figures in Table 3 are based on the assumption that the proportion of unmarried Medicaid-qualified Nebraskans is the same as the proportion of unmarried Nebraskans with self-reported work disabilities given their SSDI/SSI status.

In the CPS sample, 68.75% of Nebraskans with self-reported work disabilities who receive SSDI or SSI are unmarried and 50% of those not receiving SSDI or SSI are unmarried. From these estimates, we project that 36,112 Nebraskans from 18 to 64 have Medicaid-qualified work disabilities. Of these, 16,944 are currently receiving Medicaid and 19,168 are not.

**Table 3: Projected Numbers of Unmarried Persons with Severe Work Disabilities (Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	16,080	864	16,944
Does Not Receive Medicaid	7,504	11,664	19,168
Total	23,584	28,608	36,112

**Income and Asset Qualifications:** Not all Nebraskans with severe work disabilities meet the income and asset limitations of the Medicaid Buy-In program. For a working individual with a Medicaid-qualifying disability to qualify for Medicaid Insurance for Workers with Disabilities in Nebraska, two income tests must be passed. Test A compares the individual’s unearned income to the Federal Benefit Rate (FBR). If unearned income is less than the FBR, Test A is passed. Test B compares the individual’s countable income to 250% of the relevant Federal Poverty Guideline (FPG). If countable income is less than the FPG, Test B is passed.

We report in Table 4 the projected number of unmarried Nebraskans with Medicaid-qualifying work disabilities that would qualify for the current Buy-In program **if they worked**. We follow Howe (2001) and base earned income qualification on actual earned income of those in the CPS sample who are currently working and on projected income of those currently not working. Our projected earned income is the predicted value from a regression estimated using the 2,141 individuals with reported

work disabilities from the national CPS sample. The earned income prediction equation is a function of the individual’s age, sex, education level and race as well as two variables that depend on specific state Medicaid policy parameters. (Details of the regression model are presented in Appendix A.)

Unearned income qualification is based on the reported unearned income of those in the CPS sample. Because the CPS survey does not include information on individuals’ assets, we estimate assets by multiplying annual earnings from dividends, interest, and rent by 20 (assuming an annual average return of 5%). Individuals qualify if their non-exempted assets are less than \$4,000, the current Nebraska asset limit for unmarried individuals.

According to the CPS sample, if every unmarried Nebraskans with self-reported work disabilities were working, 45.5% of those receiving SSDI or SSI payments qualify for the Buy-In and 72.3% not receiving SSDI or SSI payments qualify. The projections in Table 4 assume that these proportions also apply to those with Medicaid qualifying work disabilities. Based on this assumption, we estimate that 10,720 Nebraskans who receive SSDI or SSI would qualify for the Buy-In if they worked and 9,072 who do not receive SSDI or SSI would qualify if they worked.

**Table 4: Projected Numbers of Unmarried Persons with Severe Work Disabilities Who Qualify for the Medicaid Buy-In Program If They Were Employed (Nebraska Residents Ages 18 to64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	9,112	648	9,760
Does Not Receive Medicaid	1,608	8,424	10,032
Total	10,720	9,072	19,792

**Number of Persons Projected to Hold Jobs:** To qualify for the Medicaid Buy-In program the individual must be employed as well as have a Medicaid-qualifying disability and meet the State Program’s income and asset requirements. Although the individuals represented in Table 4 would qualify for the current program if they worked, not all of these individuals will work. To estimate the number of persons who will work under the current Buy-In program we first calculate the probability of employment for each individual in the CPS sample and average over individuals by SSDI/SSI, Medicaid, educational and work evidence status to find the proportion of persons in each category who will work. We then multiply the resulting employment rates by the numbers of income and asset-qualified Nebraskans in each category.

The probability of being employed is modeled as an individual binary choice variable that depends on the individual’s educational level, race, State of residence, asset level and a State-specific Medicaid policy parameter. The model is estimated using the national CPS sample of individuals with self-reported work disabilities. (Details of the estimation are presented in Appendix A.)

Table 5 presents our projections of the number of unmarried Nebraskans between 18 and 64 years old who qualify for Medicaid Insurance for Workers with Disabilities under the current State policy. Our model predicts that about 20% of unmarried Nebraskans with Medicaid-qualifying work disabilities who currently receive Medicaid qualify for the current Medicaid Buy-In Program and about 27% not currently receiving Medicaid payments qualify for the current program. We project a total of 8,645 unmarried Nebraskans qualify for the program under Nebraska’s current policy parameters.

**Table 5: Projected Numbers of Income and Asset-Qualified Unmarried Persons with Severe Work Disabilities Who Will Work Under Current Buy-In Policy (Nebraska Residents Ages 18 to64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	1,591	123	1,714
Does Not Receive Medicaid	298	1,776	2,074
Total	1,889	1,889	3,788

**Number of Persons Projected to Enroll in Current Program:** The final step in projecting the number of unmarried Nebraskans who will participate in Buy-In Program is to estimate the probability that a qualified individual will choose to enroll. We follow Howe (2001) and assume that the probability of enrollment falls as the Medicaid Buy-In premium increases and that the probability of enrollment is smaller for those with existing health coverage.

We also assume that qualified individuals who are receiving Medicaid currently and who are either eligible for SSI payments or are eligible for Medicaid under SSI 1619b have little incentive to enroll. We assume that only 1% of this latter group will enroll in the Buy-In. Of those who are covered by Medicaid currently but do not fall into this group, we assume the probability of enrollment is 5% for those with other health insurance and 10% for those with no other current coverage. The probability of enrollment for those not covered currently by Medicaid is assumed to be 25% for those with other health insurance coverage and 70% for those with no other coverage.

Following Howe (2001), we assume that these probabilities are relevant when the Medicaid premium rate is zero. For each 1 percentage point increase in the Medicaid premium rate, the enrollment probabilities fall by 10%.

Table 6 presents our projections of the number of unmarried Nebraskans who will enroll in the current Medicaid Buy-In program. These estimates were calculated by averaging the probability of enrollment for each qualified individual in the CPS sample over SSDI/SSI, Medicaid, educational and work evidence status to find the proportion of persons in each category who will enroll. We then multiply the resulting enrollment rates by the numbers of Nebraskans in each category who both qualify for the program and choose to work.

**Table 6: Projection of Unmarried Persons with Severe Work Disabilities Who Will Work and Enroll in the Current Medicaid Buy-In Program (Nebraska Residents Ages 18 to64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	16	6	22
Does Not Receive Medicaid	177	850	1,027
Total	193	856	1,049

## 5. Effect of Policy Parameters on Projections

The results in Table 6 show that, under our model’s assumptions, approximately 1,049 unmarried Nebraskans from 18 to 64 will enroll in Nebraska’s Medicaid Buy-In Program. Of these, we estimate that 193 initially received SSDI or SSI benefits and 856 did not. Our model predicts that only a small portion (about 2%) of the total enrollees was initially receiving Medicaid benefits even though almost half (about 49%) of those whose income and assets qualify them for the program are currently receiving Medicaid coverage. The reason for this difference is the assumption that few (only 1%) of those currently receiving Medicaid benefits will choose to enroll in the Buy-In if their income and assets still qualify them for SSI payments or 1619b status.

To gauge the effect of changes in policy parameters (such as asset and income limits) on Medicaid Buy-In enrollment, we recalculate the numbers of Nebraskans who would qualify assuming they were employed, who qualify and choose to work, and who enroll in the program under seven different policy scenarios. The policy scenarios are

defined below and Appendix B reports the detailed projections. Table 7 summarizes the effects of the different policies on the projected numbers of Nebraskans who qualify, who both qualify and choose to work, and who choose to enroll. We report the percentage change in the projected numbers for each scenario relative to the current policy. We report not only the percentage difference in the projection totals but also report the percentage difference by initial SSDI/SSI status.

**Alternative Policy Scenario Parameters  
Relative to Current Nebraska Medicaid Buy-In Policy**

<b>Policy Scenario</b>	<b>Income Eligibility Requirements</b>	<b>Asset Limits</b>	<b>Premium Schedule</b>
1	Same	\$10,000	Same
2	Same	\$20,000	Same
3	Same	Same	None
4	No Test A	Same	Premiums begin at Lower Income (150% FPG)
5	Higher Countable Income Limit (450% FPG)	Same	Sliding Scale Premiums from 250% to 450% FPG
6	Same	\$12,000	Premiums begin at Lower Income (150% FPG)
7	Higher Countable Income Limit (450% FPG) & No Test A	\$20,000	Flat %10 Rate of Income above 200% FPG



**Table 7**  
**Percentage Increase in Projections under Policy *i* (*i* = 1, 2,...,7)**  
**Relative to Current Nebraska Policy**

Policy	Number Qualified Given Employed			Number Qualified and Working			Number Who Enroll		
	SSDI /SSI	No SSDI /SSI	Total	SSDI/ SSI	No SSDI /SSI	Total	SSDI /SSI	No SSDI /SSI	Total
1	0.0	2.4	1.1	0.0	4.0	1.7	0.0	0.8	0.67
2	0.0	2.4	1.1	0.0	4.0	1.7	0.0	0.8	0.67
3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.5	7.7
4	95.0	7.0	54.7	84.0	5.6	44.3	82.0	3.0	17.5
5	0.0	4.8	2.2	15.0	12.8	13.6	9.8	24.5	21.8
6	0.0	2.4	1.1	0.0	4.0	1.7	0.0	-2.3	-1.9
7	105.0	23.8	67.8	138.6	8.3	73.0	193.0	-42.5	0.76

According to the estimated differences in Table 7, a change from Nebraska’s current policy to either Policy 4 or 7 will have the largest effect on the number of unmarried Nebraskans who will qualify for the Medicaid Buy-In program. These Policy Scenarios eliminate Test A, the unearned income test. Under both policies, the elimination of Test A benefits those currently receiving SSDI or SSI by a much greater proportion than it benefits those currently not receiving SSDI or SSI.

Although both Policies 4 and 7 lead to approximately the same increase in the number of SSDI/SSI recipients whose income and assets will qualify them, Policy 7 results in a larger increase in the proportion that will choose to work. Policy 7 has both a higher break-even income level than Policy 4 and allows participants to hold more

assets. Policy 7, however, has a much higher premium rate than does Policy 4. When comparing the two policies' enrollment projections, we see that, under Policy 7, total enrollment remains about the same as under the current Buy-In program whereas Policy 4 leads to an increase in total enrollment of about 17.5%. Evidently, the high premium rate under Policy 7 discourages those currently not receiving SSDI or SSI from enrolling. There is a predicted 42.5% **decrease** in this group's enrollment over the current Policy's projection. Both Policies 4 and 7 lead to a large increase in enrollment projections of those currently receiving SSDI or SSI. Under Policy 7, the model predicts a 193% increase in enrollment and, under Policy 4, the model predicts an 82% increase in this group's enrollment.

The Policy Scenario that is predicted to lead to the largest increase in enrollment compared to the current policy is Policy 5. This policy increases the current 250% FPG countable income limit to 450%. Although this leads to only a small increase in the projected number of income-qualified individuals, it increases the projected number of those who choose to work by about 13.6% and those who choose to enroll by 21.8%.

Policy Scenario 4 leads to the second largest increase in projected enrollment with an increase of 17.5% predicted over the current policy's projected enrollment. Unlike Policy 5, most of the increase in projected enrollment under Policy 4 is due to an increase in enrollment of those currently receiving SSDI or SSI. Policy 5's increased enrollment is due mostly to an increase in enrollment projections for individuals who are not currently receiving SSDI or SSI benefits. It appears that the lower premium rates under Policy 5 (compared to the current policy) have a relatively large positive effect on the enrollment rate of those currently not receiving SSDI or SSI.

### **Summary and Conclusions:**

This report presented projections for the number of unmarried Nebraskans from 18 to 64 years old who are expected to enroll in Nebraska's Medicaid Insurance for Workers with Disabilities program. The body of the report contains enrollment projections under the current State policy and Appendix B contains enrollment projections under seven policy scenarios that differ from the current policy in either their income and asset qualifications or their premium schedules.

The predictions were generated using a sequential approach to estimating the relevant populations of Nebraskans who qualify for the program by severity of their work disability, by their asset- and income-qualification if they work, by their choice to work if they qualify, and finally by their choice to enroll. The estimates were based on observations of individuals from 18 to 64 years of age with self-reported work disabilities from the Current Population Survey (CPS). These data were contained in the Annual Demographic Files for March 2000 and 2001.

The sequential modeling strategy and assumptions were detailed in the text. Information provided by aggregate statistics from the Census Bureau and the Social Security Administration was combined with predictions from two econometric models:

a model of individual earnings and a binary work-choice model. Details of the econometric models' specifications and the models' parameter estimates are presented in Appendix A. The estimation results were based on individual observations from forty-eight states in the national March 2001 CPS sample.

When using the projection estimates in this report, it is useful to keep in mind several caveats to the estimation procedure. First, the projection model was based on the assumption that individuals have perfect knowledge of the rules of the Medicaid Buy-In Program and that enrollment in the program is costless. For example, if an individual is currently not receiving SSDI or SSI benefits based on a work disability, the individual must be certified by a review board as having a qualifying disability. We assumed that this process correctly identifies individuals with Medicaid-qualifying disabilities and that this process is costless to the individual. (Of 15 individuals who applied for certification in Nebraska during the past year, only 2 were accepted.) The model was also based on the assumption that there is no stigma attached to public assistance programs. For these reasons, the enrollment projections in this report correspond to expected enrollment after the policy has been in place long enough for these assumptions to more closely mirror reality.

As with any estimation process, the projection estimates are subject to sampling error. The nature of the sequential approach precluded the calculation of standard errors for the final projection estimates. Appendix A, however, reported standard errors for the earnings predictions and work choice predictions that were used in the sequential procedure. Because the size of the Nebraska CPS 2000 and 2001 sample of individuals with reported work disabilities was small, we would expect that our projected enrollment figures would have relatively large standard errors.

There were also some key variables related to whether an individual qualifies for the Buy-In program that I could not measure directly. For example, individual assets were approximated by scaled reported dividends, interest and rental payments. Also, in Nebraska, SSDI payments are disregarded if the individual is currently in a trial work period. My sample did not allow me to identify those individuals.

For these reasons, the projected enrollment numbers should be used as rough benchmarks rather than precise values of the number of enrollees. More confidence should be placed in the relative changes in enrollment projections due to differing policy scenarios. These changes in projected enrollment relative to projected enrollment under the current policy gauge the effect of permanent changes in policy parameters on enrollment. Table 7 presented the percentage changes in projected enrollment by SSDI/SSI status and found that eliminating Income Test A greatly benefits those initially receiving SSDI or SSI benefits and increasing premium rates can substantially reduce enrollment of qualified non-SSDI/SSI participants.

## Appendix A: Econometric Analysis

### 1. Model of Earnings

Our earnings model follows the commonly used specification,

$$\log(\text{earnings}_i) = \alpha + \sum_{j=1}^k \beta_j x_{ij} + \varepsilon_i,$$

where earnings is the individual's reported personal earnings, the  $k$  explanatory variables included in  $x$  are defined below, and the error term is assumed to be independently distributed across individuals and have mean zero conditional on the values of  $x$ .

Our CPS sample includes 2141 individuals from 18 to 64 years old with self-reported work disabilities. These individuals reside in 46 states (Massachusetts, Illinois, Colorado and Nevada were omitted because I could not find complete information on their Medicaid rules for the disabled). Of the 2141 individuals, only 646 reported positive earnings from the previous year. Our sample size for the estimation is therefore 646 observations.

The final specification includes as explanatory variables nine demographic variables and three individual- and state-specific Medicaid policy variables, each of which has a statistically significant effect on  $\log(\text{earnings})$ . The two continuous demographic variables are the individual's age and age-squared. The other demographic variables are categorical. They include four educational attainment variables:

**hsgrad** = 1, if the highest degree attained is a high school degree; 0, if not  
**somecol** = 1, if individual attended college but has no degree; 0 if not  
**assocdeg** = 1, if the highest degree attained is an associate degree; 0, if not  
**colldeg** = 1, if the highest degree attained is a bachelors degree; 0, if not  
**msdoc** = 1, if the individual has a masters, professional, or doctorate; 0, if not

Two other categorical variables are

**female** = 1, if the individual is female; 0, if not  
**aindian** = 1, if the individual identifies himself as an American Indian; 0, if not

The three policy variables are

**beincome** = the individual's break-even level of income, if positive; 0, if not  
The break-even level of income is the maximum amount of income that the individual can earn in order to receive Medicaid coverage in the state of residence. In Buy-In states, this depends on the FPG for family size, the individual's unearned income and the State's specific disregards. In non-Buy-In states, this depends on the State-specific income limit and disregards as well as the individual's unearned income. Its general form is  $(\text{income max} + \text{disregards} - \text{unearned income}) \times 2$   
**beinsq** =  $\text{beincome} \times \text{beincome}$

**aslim20** = State-specific limit on individual assets to qualify for Medicaid coverage, if the individual's assets are below this maximum; 0, if not

Table A.1 reports the estimation results for the earnings equation. Since the dependent variable is the logarithm of earnings, the estimated coefficients can be interpreted as the percentage change in earnings associated with a small change in the explanatory variable. The results suggest that a female earns less than a male of the same age, living in the same state with the same educational attainment, break-even income level and assets. American Indians also tend to earn less than other groups with the same characteristics.

The positive effect of age and negative effect of age-squared is a common result in earnings equations suggesting diminishing marginal returns to a person's age (or experience). We also see from the results that higher educational attainment is associated with higher earnings.

The effects of the Medicaid policy variables on individual earnings depend how large an individual's unearned income is relative to the State's income limit for Medicaid coverage and how large an individual's assets are relative to the State's asset limit. According to the point estimates, for those with positive-valued break-even income levels, an increase in *beincome* tends to increase earnings but the magnitude of the increase decreases as *beincome* increases. For small changes in *beincome*,

$$\% \Delta \text{ earnings} \cong \Delta \text{beincome} [ .00213\% - (.000000014\% \times \text{beincome}) ]$$

This result is consistent with the belief that low income-eligibility limits for Medicaid coverage of individuals with work disabilities lead to decreased work effort. Individuals with higher break-even income levels tend to have higher earnings (at least up to a point.) This supports the impetus beyond the Medicaid Buy-In Program for individuals with severe work disabilities.

For example, suppose the individual currently has a negative break-even income level (*beincome*=0) and the State increases its income eligibility limit. If the individual's break-even level of income were still not positive, the policy change would have no effect on the individual's earning (*beincome* = 0). If, however, the individual's break-even income level increased by \$1 due to the policy change, the model predicts that earnings would increase by about .00213% (1 x .00213%).

Suppose that the individual's initial break-even income level were \$20,000. In this case, the same \$1 increase in the income limit would lead to a smaller increase in earnings. According to the point estimates, earnings would increase by approximately .00185% (.00213% - .00028%). Thus, there appears to be diminishing returns to increasing individuals' break-even income levels. The regression results show that the increase in individual earnings due to increasing break-even income levels (by either increasing allowable disregards or increasing the income limit) is smaller the higher the individual's initial break-even income level.

According to the point estimate, an increase of \$1 in *aslim* is associated with a .0037% reduction in individual earnings. This result, however, is relevant only for those individuals whose assets are currently below the Medicaid asset limit for their State. Thus, the result suggests that, for two individuals with the same characteristics (including the same break-even income level), if each has assets less than her State's asset limit, then the person whose State's asset limit is \$1 higher than the other's limit has .0037% lower earnings. In this sense, individuals in states with higher Medicaid asset limits tend to earn less.

**Table A.1**

**Dependent Variable: log(earnings)**  
**National CPS Sample of Individuals with Self-Reported Work Disabilities**  
**646 Observations with Positive Earnings**

	$\beta$ Estimate	Standard Error	t-statistic	Significance Level
<b>Constant</b>	6.7828	0.5918	11.46179	0.00000000
<b>AGE</b>	0.0629	0.0296	2.12371	0.03408184
<b>AGESQ</b>	-5.5987e-04	3.5481e-04	-1.57796	0.11507535
<b>FEMALE</b>	-0.3631	0.1148	-3.16223	0.00164050
<b>HSGRAD</b>	0.4278	0.1585	2.69966	0.00712654
<b>SOMECOL</b>	0.7609	0.1703	4.46891	0.00000931
<b>ASSOCDEG</b>	1.0772	0.2508	4.29552	0.00002017
<b>COLLDEG</b>	1.3188	0.2245	5.87377	0.00000001
<b>MSDOC</b>	1.5348	0.3573	4.29538	0.00002018
<b>AINDIAN</b>	-0.7235	0.3900	-1.85543	0.06399908
<b>BEINCOME</b>	2.1293e-05	5.2106e-06	4.08637	0.00004945
<b>ASLIM20</b>	-3.7265e-05	8.9876e-06	-4.14626	0.00003840
<b>BEINCSQ</b>	-7.0894e-11	2.3302e-11	-3.04238	0.00244435

Table A.2 presents the predicted earnings and the associated standard errors of three representative individuals based on the estimated national model. Each individual is 43 years old (the median age of Nebraskans in the sample), is not an American Indian, has earned a high school degree (the modal educational attainment value of the Nebraska sample), and has a break-even income level of \$42,654 (the median value for the Nebraska sample). The first individual is a male with assets below the \$4,000 asset limit for Nebraska's current Buy-In Program. The second individual is a female with assets below the \$4,000 asset limit for Nebraska's current Buy-In Program. The third individual is a male with assets above the State's asset limit.

**Table A.2**  
**Predicted Earnings of 43 year old, High School Graduate, Non-American Indian,**  
**Break-even Income of \$42,654**

<b>FEMALE</b> One, if female; Zero, if male	<b>ASLIM20</b> State's Asset Limit, if Assets < Limit; Zero, if Assets > State's Asset Limit	<b>Predicted Annual Earnings</b> in year 2000 dollars  <b>(Standard Error)</b>
0	\$4,000	\$13,487.75 (\$1,548.54)
1	\$4,000	\$9,380.50 (\$1,113.50)
0	0	\$29,970.84 (\$5,466.04)

The predicted earnings figures in Table A.2 show the predicted differences in earnings associated with discrete differences in individual characteristics. (Because earnings is a nonlinear function of individual characteristics, the estimates of  $\beta$  presented in Table A.3 approximate the percentage change in earnings from only small changes in individual characteristics.) As the results in Table A.2 show, the point estimates in Table A.2 have relatively large standard errors. The sampling error associated with the regression model's predictions, however, is smaller than the sampling error associated with Howe's method to predict earnings of non-income earners. Howe randomly assigns the earnings of working individuals to those in the sample who currently do not work. The latter method ignores the relationship between individual characteristics, such as education level, and individual earnings.

## 2. Model of Work Choice

We use a probit specification to model work choice of those individuals whose asset levels are below their state's Medicaid asset limit and their earnings (or predicted earnings for those currently not working) qualify them for their state's Medicaid program. Our specification is,

$$P(\text{Work}_i = 1) = P(Z \leq \sum_{s=1}^k \beta_s x_i),$$

where  $\text{Work}_i = 1$  if individual  $i$  earns a positive income and  $\text{Work}_i = 0$ , if not.

The random variable  $Z$  is distributed as a standard normal random variable and the  $k$  explanatory variables are described below. The model is estimated using only 1,387 observations from the original 46 state CPS sample of 2,141 18 to 64 year olds with self-reported work disabilities. These individuals are those whose asset and (projected) income levels qualify them for Medicaid coverage in their state.

The explanatory variables included in the final specification include a subset of variables from the earnings equation: age and age-squared, the five educational attainment variables, and **beincome** and **beincsq**, as well as the following new variables:

**black** = 1, if the individual identifies himself as Black; 0, if not

**states** = 1, if the individual resides in Nebraska, Iowa, North Dakota, South Dakota or Minnesota; 0, if not

**asset20** = the individual's interest, dividend and rental income scaled by 20 (assuming an annual 5% rate of return)

Table A.3 reports the parameter estimates of the *probit* estimation. We can evaluate the **direction** of the impact that the explanatory variable has on the probability of working by examining the **sign** of the coefficient estimate. According to the point estimates, those with at least a high school degree are more likely to work than those whose educational attainment is less than a high school degree. An individual who is black is less likely to work than a non-Black individual of the same age, education, asset level and break-even level of income. The probability of working increases with **beincome** and decreases with the squared value of **beincome**. An individual with a higher level of assets (but who still qualifies for Medicaid coverage) is more likely to work and an individual from one of the five Midwestern states included in the **states** category is more likely to work.



**Table A.3**

**Probit Model:  $P(\text{Work}=1) = P(Z \leq \sum_j \beta_j x_j)$**

**National CPS Sample of Income and Asset-Qualified Individuals  
with Self-Reported Work Disabilities  
1,387 Observations**

	$\beta$ Estimate	Standard Error	t-statistic	Significance Level
Constant	-1.08118	0.087218	-12.396	0.00000
HSGRAD	0.31890	0.088037	3.622	0.00029
SOMECOL	0.63166	0.105541	5.985	0.00000
ASSOCDEG	0.59179	0.172366	3.433	0.00059
COLLDEG	0.51385	0.174426	2.946	0.00322
MSDOC	0.68892	0.333839	2.064	0.03905
BLACK	-0.19724	0.089908	-2.194	0.02825
BEINCOME	0.17747	0.036533	4.858	0.00000
BEINSQ	-0.84704	0.160757	-5.269	0.00000
ASSET20	0.69292	0.143731	4.821	0.00000
STATES	0.44346	0.191786	2.312	0.02076

We convert the estimates based on the national sample of individuals with self-reported work disabilities to employment probabilities for individuals with severe work disabilities by scaling the national estimates by .30, the ratio of the 2000 national employment rate of the severely disabled to that of the disabled. Table A.4 reports the resulting predicted employment probabilities and associated standard errors for six representative individuals who qualify for Medicaid coverage. Each individual resides in Nebraska (or one of the other Midwestern states included in the categorical variable **states**.)

Two individuals do not have high school degrees and have no assets. One of these individuals has the mean break-even income level (\$46,550) of Nebraskans in the national sample and one has a lower break-even income (\$5,000). Two individuals have graduated from high school but have not attended college and have the mean asset level of Nebraskans in the national sample (\$398). One of these individuals has a higher than average break-even income of \$60,000 and the other has break-even income of \$5,000. The other two individuals have attended some college (the most common education level of Nebraskans in the national sample) and have assets of \$1,500. One has the mean break-even income level and the other has break-even income of \$60,000.

**Table A.4**

**Predicted Employment Rate of Non-Black Medicaid-Qualified Nebraskan with Severe Work Disabilities between 18 and 64 years**

<b>Educational Attainment</b>	<b>Break-Even Income Level (in year 2000 dollars)</b>	<b>Assets (in year 2000 dollars)</b>	<b>Predicted Employment Rate (Standard Error)</b>
<b>Less than high school degree</b>	\$46,550	\$0.00	0.15059 (0.02497)
	\$5,000	\$0.00	0.08724 (0.02207)
<b>High School Degree</b>	\$60,000	\$398	0.22896 (0.01995)
	\$5,000	\$398	0.15519 (0.02389)
<b>Some College</b>	\$46,550	\$1,500	0.28594 (0.00818)
	\$60,000	\$1,500	0.28906 (0.00682)

## **Appendix B: Enrollment Projections**

This appendix presents projected enrollments under seven Medicaid Buy-In policy scenarios. These policy scenarios differ from the current Nebraska policy either in their income eligibility requirements, their asset eligibility requirements, or their premium levels. Three tables are presented for each policy scenario: projected number of Nebraskans whose income and assets would qualify them for the program if they worked, projected number of qualifying Nebraskans who will work, and the projected number of qualifying Nebraskans who work and enroll in the program.

The percentage differences in the projections under the seven policy scenarios and the projections under the current Nebraska policy that are presented in Table 7 in the text are based on the tables in this appendix.

**Scenario 1: Same Income Requirement and Premium Schedule as Current Policy. Asset Limit of \$10,000 instead of \$4,000.**

**Table 4.1:  
Projected Numbers of Unmarried Persons with Severe Work Disabilities Who Qualify for Policy Scenario 1 If They Were Employed  
(Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	9,112	864	9,976
Does Not Receive Medicaid	1,608	8,424	10,032
Total	10,720	9,288	20,008

**Table 5.1  
Projected Numbers of Income and Asset-Qualified Unmarried Persons with Severe Work Disabilities Who Will Work Under Scenario 1  
(Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	1,591	188	1,779
Does Not Receive Medicaid	298	1,776	2,074
Total	1,889	1,964	3,853

**Table 6.1**  
**Projections of Unmarried Persons with Severe Work Disabilities Who Will Enroll**  
**in Medicaid Buy-In Program under Policy Scenario 1**  
**(Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	16	13	29
Does Not Receive Medicaid	177	850	1,027
Total	193	863	1,056

**Scenario 2: Same Income Requirement and Premium Schedule as Current Policy. Asset Limit of \$20,000 instead of \$4,000.**

**Table 4.2:  
Projected Numbers of Unmarried Persons with Severe Work Disabilities Who Qualify for Policy Scenario 2 If They Were Employed  
(Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	9,112	864	9,976
Does Not Receive Medicaid	1,608	8,424	10,032
Total	10,720	9,288	20,008

**Table 5.2  
Projected Numbers of Income and Asset-Qualified Unmarried Persons with Severe Work Disabilities Who Will Work Under Scenario 2  
(Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	1,591	188	1,779
Does Not Receive Medicaid	298	1,776	2,074
Total	1,889	1,964	3,853

**Table 6.2**  
**Projections of Unmarried Persons with Severe Work Disabilities Who Will Enroll**  
**in Medicaid Buy-In Program under Policy Scenario 2**  
**(Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	16	13	29
Does Not Receive Medicaid	177	850	1,027
Total	193	863	1,056

**Scenario 3: Same Income Requirement and Asset Limit as Current Policy. No Premium.**

**Table 4.3:  
Projected Numbers of Unmarried Persons with Severe Work Disabilities Who Qualify for Policy Scenario 3 If They Were Employed  
(Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	9,112	648	9,760
Does Not Receive Medicaid	1,608	8,424	10,032
Total	10,720	9,072	19,792

**Table 5.3  
Projected Numbers of Income and Asset-Qualified Unmarried Persons with Severe Work Disabilities Who Will Work Under Scenario 3  
(Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	1,591	123	1,714
Does Not Receive Medicaid	298	1,776	2,074
Total	1,889	1,889	3,788



**Table 6.3**  
**Projections of Unmarried Persons with Severe Work Disabilities Who Will Enroll**  
**in Medicaid Buy-In Program under Policy Scenario 3**  
**(Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	16	6	22
Does Not Receive Medicaid	177	931	1,108
Total	193	937	1,130

**Scenario 4: Same Asset Limit as Current Policy.  
 Premiums begin at 150% FPG instead of 200% FPG.  
 Unearned Income is Disregarded (No Income Test A)**

**Table 4.4:  
 Projected Numbers of Unmarried Persons with Severe Work Disabilities Who  
 Qualify for Policy Scenario 4 If They Were Employed  
 (Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	15,544	648	16,192
Does Not Receive Medicaid	5,360	9,072	14,432
Total	20,904	9,720	30,624

**Table 5.4  
 Projected Numbers of Income and Asset-Qualified Unmarried Persons with Severe  
 Work Disabilities Who Will Work Under Scenario 4  
 (Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	2,603	123	2,726
Does Not Receive Medicaid	869	1,871	2,740
Total	3,472	1,994	5,466

**Table 6.4**  
**Projections of Unmarried Persons with Severe Work Disabilities Who Will Enroll**  
**in Medicaid Buy-In Program under Policy Scenario 4**  
**(Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	25	6	31
Does Not Receive Medicaid	326	876	1,202
Total	351	882	1,233

**Scenario 5: Same Asset Limit as Current Policy.  
SSI Countable Income Limit is 450% FPG instead of 250%.  
Sliding Scale Premiums from 250% to 450% FPG**

**Table 4.5:  
Projected Numbers of Unmarried Persons with Severe Work Disabilities Who  
Qualify for Policy Scenario 5 If They Were Employed  
(Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	9,112	648	9,760
Does Not Receive Medicaid	1,608	8,856	10,464
Total	10,720	9,504	20,224

**Table 5.5  
Projected Numbers of Income and Asset-Qualified Unmarried Persons with Severe  
Work Disabilities Who Will Work Under Scenario 5  
(Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	1,841	131	1,972
Does Not Receive Medicaid	334	1,999	2,333
Total	2,175	2,130	4,305

**Table 6.5**  
**Projections of Unmarried Persons with Severe Work Disabilities Who Will Enroll**  
**in Medicaid Buy-In Program under Policy Scenario 5**  
**(Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	18	6	24
Does Not Receive Medicaid	194	1,060	1,254
Total	212	1,066	1,278

**Scenario 6: Same Income Limits as Current Policy.  
 Premiums begin at 150% FPG instead of 200% FPG.  
 Asset Limit is \$12,000 instead of Current \$4,000 Limit**

**Table 4.6:  
 Projected Numbers of Unmarried Persons with Severe Work Disabilities Who  
 Qualify for Policy Scenario 6 If They Were Employed  
 (Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	9,112	864	9,976
Does Not Receive Medicaid	1,608	8,424	10,032
Total	10,720	9,288	20,008

**Table 5.6  
 Projected Numbers of Income and Asset-Qualified Unmarried Persons with Severe  
 Work Disabilities Who Will Work Under Scenario 6  
 (Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	1,591	188	1,779
Does Not Receive Medicaid	298	1,776	2,074
Total	1,889	1,964	3,853

**Table 6.6**  
**Projections of Unmarried Persons with Severe Work Disabilities Who Will Enroll**  
**in Medicaid Buy-In Program under Policy Scenario 6**  
**(Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	16	13	29
Does Not Receive Medicaid	177	823	1,000
Total	193	836	1,029

**Scenario 7: SSI Countable Limit is 450% FPG instead of 250%.  
 Unearned Income is Disregarded (No Income Test A).  
 Asset Limit is \$20,000 instead of Current \$4,000 Limit.  
 Premium is 10% of Income Above 200% FPG**

**Table 4.7:  
 Projected Numbers of Unmarried Persons with Severe Work Disabilities Who  
 Qualify for Policy Scenario 7 If They Were Employed  
 (Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	16,080	864	16,944
Does Not Receive Medicaid	5,896	10,368	16,264
Total	21,976	11,232	33,208

**Table 5.7  
 Projected Numbers of Income and Asset-Qualified Unmarried Persons with Severe  
 Work Disabilities Who Will Work Under Scenario 7  
 (Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	3,235	125	3,360
Does Not Receive Medicaid	1,272	1,921	3,193
Total	4,507	2,046	6,553



**Table 6.7**  
**Projections of Unmarried Persons with Severe Work Disabilities Who Will Enroll**  
**in Medicaid Buy-In Program under Policy Scenario 7**  
**(Nebraska Residents Ages 18 to 64)**

	Receives SSDI or SSI	Does Not Receive SSDI or SSI	Total
Receives Medicaid	32	2	34
Does Not Receive Medicaid	533	490	1,023
Total	565	492	1,057

## References:

- 3 [http://www.ssa.gov/statistics/oasdi\\_sc/1998/table1.pdf](http://www.ssa.gov/statistics/oasdi_sc/1998/table1.pdf)
- 4 [http://www.ssa.gov/statistics/ssi\\_st\\_cty/1998/98-state.pdf](http://www.ssa.gov/statistics/ssi_st_cty/1998/98-state.pdf)
- 5 <http://www.census.gov/hhes/www/disable/cps/cps200.html>
- 6 Office of Research, Evaluation and Statistics, *SSI Disabled Recipients Who Work, June 2000*. Social Security Administration.

Michael Cheeks

1. <http://medicaid.aphsa.org/research/ABD/abd.htm>  
Aged, Blind & Disabled State Summaries
2. Appendix B: Summary of State's Income, Asset and Cost-sharing Requirements for Medicaid Buy-In Programs for the Working Disabled

The following is the information on the Federal Poverty Guidelines that can be found on the web page for the Assistant Secretary for Planning and Evaluation of the Department of Health and Human Services. This same information can be found at <http://aspe.hhs.gov/poverty/01poverty.htm>

Allen Jensen:

- A. An Overview of the SSDI, SSI, Medicaid and Medicare Programs Related to Persons with Disabilities and Employment  
*Updated April 2001*

By Melissa Whitman:

**SSI Criteria States (7)** (State uses same income and asset criteria as the SSI program for eligibility determinations; individual must apply for Medicaid through separate application)

- Oregon
- Kansas
- Utah
- Alaska
- Idaho
- Nebraska
- Nevada



Chapter 2: FINANCIAL ELIGIBILITY RULES AND OPTIONS

Understanding Medicaid Home and Community Services: A Primer

Gary Smith, Janet O'Keeffe, Letty Carpenter, Pamela Doty, Gavin Kennedy, Brian Burwell, Robert Mollica and Loretta Williams

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