There are two distinct groups of employed individuals between the ages of 18 and 64 inclusive who have a medically certified disability or blindness and who qualify for Medicaid as working individuals with disabilities. These groups are the Basic Insurance Group and the Medically Improved Group. There is a third group of employed individuals consisting of persons at least 18 years of age who have a medically certified disability or blindness who also qualify for Medicaid as working individuals with disabilities. This is the Balanced Budget Act Group. Persons in this third group may be age 65 or older.

A. Basic Insurance Group

An individual in this group, which is authorized under the Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA), is subject to the conditions described below.

1. An individual in this group must be engaged in a substantial and reasonable work effort to meet the employment criterion.
   a. Such effort consists of an activity for which the individual receives cash remuneration and receives pay stubs from his or her employer.
   b. If the individual is self-employed, he or she must have established an account through the Social Security Administration and must make regular payments based on earnings as required by the Federal Insurance Contributions Act.
   c. An individual who meets the employment criterion but then loses employment through no fault of his or her own, for reasons such as a temporary health problem or involuntary termination, continues to meet the employment criterion for up to one year from the date of the loss of employment. The individual must maintain a connection to the labor market by either intending to return to work as soon as the health problem is resolved, or by making a bona fide effort to seek employment upon an involuntary termination.

2. The individual meets the income eligibility test under this group by passing one of the following income tests:
   a. having a gross monthly income equal to or less than $6250; or
   b. having an applied monthly income (gross income minus the following: a $20 general disregard; the first $65 of gross monthly earnings; Impairment Related Work Expenses described at UPM 5035.10 C, if
2540.85 A. 2. b. Basic Insurance Group (continued)

applicable; and 1/2 the remaining earnings) equal to or less than $3082.50.

3. The asset criteria for this group are as follows:
   a. The asset limit is $10,000.00 for an individual and $15,000.00 for a married couple living together.
   b. In addition to the assets excluded under the Medicaid program, the following assets are also excluded:
      (1) retirement and medical savings accounts established pursuant to 26 USC 220 and held by either the individual or his or her spouse; and
      (2) accounts held by the individual or spouse and designated by such person as being held for the purpose of buying goods or services that will increase the employability of the individual. Such accounts are subject to the approval of the Department.
   c. The assets excluded in section 2540.85 A. 3. b. retain their excluded status for the life of the individual, even if he or she loses eligibility under this coverage group.

4. The individual may be required to pay the Department a monthly premium for medical coverage if the gross monthly counted income of the individual and spouse (minus Impairment-Related Work Expenses described at UPM 5035.10 C) exceeds 200% of the federal poverty level (FPL) for the appropriate family size, including dependent children living in the home.
   a. The amount of the premium is equal to 10% of this excess, minus the monthly amount of any payments for health insurance made by the individual or spouse for any family member.
   b. For an individual described in this paragraph whose net family income is greater than 250% of the FPL but does not exceed 450% of the FPL for the appropriate family size, the premium for Medicaid coverage cannot exceed 7.5% of the individual's net family income.
   c. Net family income consists of the applied monthly income of the individual plus that of his or her spouse.
2540.85 A. 4. c. Basic Insurance Group (continued)

(1) Applied monthly income of the individual is described in section 2540.85 A. 2. b.

(2) The applied monthly income of an individual's eligible spouse is computed the same way as is the individual's.

(3) The applied monthly income of an individual's ineligible spouse consists of the spouse's gross monthly income with no allowance for any disregards or deductions.

B. Medically Improved Group

1. An individual in this group, which is authorized under the Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA), must have been eligible for Medicaid pursuant to paragraph A above, but must have lost such eligibility because of a medical improvement determined at the time of a regularly scheduled continuing disability review.

2. An individual in the Medically Improved group is subject to the same conditions described in section 2540.85 A. 2. through 4. concerning the income eligibility tests, asset eligibility tests, and computation of premiums.

3. The eligibility requirements with respect to disability status and the definition of employment are as follows for individuals in the Medically Improved group:

   a. The individual must continue to have a severe medically determinable impairment. However, the impairment does not need to meet the medical criteria to the same extent as for those in the Basic Insurance group.

   b. The individual meets the employment criterion if he or she is earning a monthly wage equal to or greater than the federal minimum hourly wage times 40. There is no extension of coverage under this group once the individual loses employment.
2540.85 C. Balanced Budget Act Group

1. An individual in this group, which is authorized under the Balanced Budget Act of 1997 (BBA), is subject to the same conditions described in section 2540.85 A. concerning employment status, income eligibility tests, asset eligibility tests and computation of premiums.

2. An individual in this group who is age 65 or older is eligible for Medicaid as long as he or she meets all the eligibility requirements of section 2540.85 A. and has a medically certified disability or blindness.