SENATE FINANCE & CLAIMS

Exhibit No. 1

Date 2-3-09

Bill No. SB119

Montana Medicaid Buy-in (SB 119) Fact Sheet

Why is a Medicaid Buy-in needed?

Many **people with disabilities in Montana want to work** and pay taxes. They want to support themselves, and they want to contribute to their families and communities. However, these same people are at risk of losing Medicaid, their health insurance, if they work. This is due to the current income and resource limits for Medicaid in Montana.

Medicaid is essential because it is the only health insurance that covers personal assistance services, developmental disability services and supports, and mental health treatment and services and supports. Even if someone with a disability is able to work full time, and can find a full time job, there is no employer provided health insurance that provides coverage for these things.

Often, private insurance also does not cover complex rehabilitation equipment or certain expensive prescription drugs. Many employers don't provide insurance for part time workers. Many **private health insurance companies also will not cover people with disabilities** at all. And finally, there is no private insurance available for people who are self-employed.

While some people with disabilities may have Medicare, it has nearly the same limits in coverage as the private insurance limits described above, and is time-limited for those who work.

Who would Use a Medicaid Buy-in?

A Medicaid Buy-in in Montana would primarily serve **people who receive Social Security Disability Insurance (SSDI).** These are people who worked and then became disabled, or adults who are the disabled dependents of deceased, retired or disabled workers.

(Note: People who receive SSI [Supplemental Security Income] automatically receive Medicaid in Montana, and federal law provides protections for their Medicaid when they work and earn under a specific threshold ($ 28,212/year for 2009 in MT, or more if they have especially high medical expenses.)

What is the cost for Medicaid Buy-in?

The Health Resources Division is requesting $499,417 for the biennium, of which $188,647 is state general fund and $310,770 is federal funds for the Medicaid for Workers with Disabilities program (MWD). Currently, SSDI recipients who need to keep Medicaid simply don't work. With a Medicaid Buy-in, they could work and in turn, would **pay a premium** to get Medicaid, just like people with private insurance coverage. And, they would also **pay taxes, be less dependent on other benefit programs, and spend money in their communities**, thus aiding the economy.

Where does the idea for a Medicaid Buy-in come from?

There are two federal laws that authorize states to establish a Medicaid Buy-in for people with disabilities. The first is the federal Balanced Budget Act of 1997, and the second is the more recent Ticket to Work and Work Incentives Improvement Act of 1999. **40 states currently have a Medicaid Buy-in** to encourage people with disabilities to work, and to be more self-supporting, and to have an opportunity to work themselves out of poverty.

How Will a Medicaid Buy-in Help Montana?

- Lower unemployment rate; increased tax revenue; Medicaid costs offset by premiums.
- People will be less dependent on other public benefit programs such as food stamps, low-income energy assistance, housing assistance, etc., and more able to pay their own way.
- Working people will contribute their skills, abilities, and talents to their communities.
- People can increase their income without losing health benefits that cover services not covered by private insurance plans, and/or are too expensive to afford, even on a modest budget.
- Increased use of existing, but under-utilized, federal disability work incentive programs.
- More workers contributing will help lessen the current strain on the Social Security Trust Fund.
- More workers will mean an increased talent pool for employers to choose from.
- Increased successful outcomes for Vocational Rehabilitation and other Employment Provider programs as people will be able to stay in their jobs = more federal dollars for state programs and Montana small businesses
- Ties benefits to employment, thus encouraging personal responsibility and community participation.
- Increased resource limits will allow people to save and work themselves out of poverty, as well as provide for emergencies. People will be able to save for a home, transportation to work, more education for themselves /their children, to start a business, or, for a rainy day.