

New Medicaid income limits help disabled stay on the job

February 17, 2009

BY [MONIFA THOMAS](#) Health Reporter

The aim of Illinois' Health Benefits for Workers with Disabilities program is simple: Help disabled people enter the work force without losing their eligibility for health coverage from Medicaid.

Yet many people with disabilities haven't been able to take advantage of the program because the income limits for enrollment were too low, advocates for the disabled say.



If Illinois' income ceiling hadn't been raised, "I would be forced not to work," Robert Haggard says. (Rich Hein/Sun-Times)

"The truth is, people with disabilities rely on Medicaid and Medicare . . . as their primary source of insurance," says John Coburn, senior policy attorney for Health and Disability Advocates, a Chicago group. "And what we've done for so many years is relegate people with disabilities to lives of poverty to qualify for these programs."

A state law that took effect this month could help alleviate that problem. The law increases the amount that workers with disabilities can make before they become ineligible to "buy in" to Medicaid through the Health Benefits for Workers with Disabilities program, run by the Healthcare and Family Services Department.

The new income limit is 350 percent of the federal poverty level -- just under \$38,000 a year for an individual, \$75,000 for a family of four. The old limit was 200 percent -- or about \$21,000 for individuals and \$44,000 for a family.

The law also allows disabled workers to have up to \$25,000 in assets instead of \$10,000, excluding retirement accounts that can't be accessed without penalty before age 59½.

The changes are significant because not every job offers health insurance, and private plans might not cover the range of medical services that people with disabilities often need, Coburn said.

"With these limits, you can go into a position that would move you into the middle class," Coburn said.

People with disabilities in Cook County and the collar counties have a 17 percent unemployment rate, compared with 7 percent among people without disabilities, according to a report from Health and Disability Advocates based on U.S. Census data from 2006.

The Illinois General Assembly passed a law to expand the income eligibility rules in late 2007. But implementing the changes was delayed until this year because parts of the new law had to be cleared by the federal government, said state Rep. Sara Feigenholtz (D-Chicago), the bill's sponsor.

The new eligibility rules will allow Robert Haggard, 39, of Evanston, to sign up for health insurance through Medicaid without having to give up his job at Office Depot.

Haggard gets Social Security benefits for his disability but said he still pays \$5,000 to \$6,000 a year out-of-pocket just for medication. Haggard's wife also is disabled.

Under the health benefits program, his Medicaid premium will be \$100 a month.

"If it hadn't been for the extension of this program, I would be forced not to work," he said.