



HB 1256: EXPANSION OF HEALTH BENEFITS FOR WORKERS WITH DISABILITIES

A significant barrier to employment experienced by individuals with disabilities is loss of necessary health care coverage. Recognizing this, Congress has given states broad authority to create programs that would allow individuals with disabilities to work and keep or obtain Medicaid coverage. Illinois took advantage of this opportunity and created **Health Benefits for Workers with Disabilities** (HBWD). The Program began in January 2002.

The Current Program

HBWD has allowed many individuals with disabilities in Illinois to become employed without losing critical affordable healthcare. **Under current law**, in order to qualify for HBWD, an individual must meet Illinois Medicaid criteria for state residency and citizenship requirements as well as:

- Be at least 16 years of age and under 65;
- Meet the Social Security definition of disability, except that the ability to work and earn more than the Substantial Gainful activity amount shall not be part of the disability determination process.
- Be employed, which is defined as proof of payment of FICA, IMRF, or the equivalent;
- Have countable assets of \$10,000 or less;
- Have a countable income equal to or less than 200% of the Federal Poverty Level; and
- Pay a monthly premium based upon income.

The Proposed Expansion

HB 1256 was signed by the Governor at the end of August 2007. HB 1256 liberalizes this Program's income and asset rules so that more individuals may join the Program and individuals in the program can earn and save more. HB 1256 expands the program by:

- **Increasing the income level to 350% of the Federal Poverty Level;**
- **Keeping initial asset eligibility at \$10,000 but increasing the asset limit to an additional \$25,000 earned while enrolled in HBWD;**
- **Exempting retirement accounts that cannot be accessed prior to the age of 59.5 without penalty, as well as exempting medical saving accounts; and**
- **Allowing individuals to return to regular Medicaid without having to spenddown assets accumulated while enrolled in HBWD (up to \$25,000) Retirement accounts that cannot be accessed before 59 ½ and medical savings accounts are also exempt to those returning to Medicaid after having been enrolled in HBWD.**

Note: These changes are subject to federal approval as part of the Illinois State Plan. Since other states include similar provisions in their State Plan it is likely that these revisions will be approved.

What Does this Expansion Have To Do With Medicare Part D?

The majority of enrollees in Health Benefits for Workers with Disabilities are current or former SSDI beneficiaries entitled to Medicare. HBWD is a Medicaid Program. Therefore, enrollment in HBWD confers the individual with dual eligible status for Medicare Part D purposes. Many individuals with disabilities who would not otherwise qualify for the "extra help" due to income or assets can do so through HBWD. By expanding HBWD, we assure that many more Medicare beneficiaries under 65 who are employed will qualify for Medicare Part D "extra help."

Where Can I Get More Information on the HBWD Program?

Program Hotline: 1-800-226-0768 Website: www.hbwduillinois.com