

H-1200 QUALIFIED DISABLED AND WORKING INDIVIDUALS (QDWI)**H-1210 GENERAL INFORMATION**

The OBRA law of 1989 established the Qualified Disabled Working Individual (QDWI) program to help certain individuals who lost entitlement to Social Security disability benefits and premium-free Medicare Part A coverage because their earnings exceeded the amount allowed under Social Security regulations pertaining to Substantial Gainful Activity (SGA).

SGA describes a level of work activity and earnings. Work is substantial if it involves significant physical or mental activities or a combination of both. Work is gainful if generally performed for pay or profit, or intended for profit, whether or not a profit is realized.

The applicant/enrollee must meet all of the following requirements for the QDWI buy-in program. A QDWI must:

- Be enrolled, or conditionally enrolled, in hospital insurance benefits (Medicare Part A) and must pay a premium for part A;
- Be under age 65;
- Have monthly income less than or equal to 200 percent of the Federal Poverty Income Guidelines (FPIG). Refer to [Z-200 Federal Poverty Income Guidelines](#);

Note:

In January of each year, disregard the Social Security Administration (SSA) cost-of-living adjustment (COLA) through the month following the release of the annual FPIG update. For example, the annual FPIG is released in January, disregard COLA through February. Thereafter, determine eligibility using all income including the COLA for that year.

- Have resources equal to or less than twice the SSI limit. Refer to [Z-900 Resource Limits by Program](#);

- Continue to have a disabling physical or mental impairment;
- Have lost premium-free Medicare part A due to Substantial Gainful Activity (SGA); and
- Not otherwise be eligible for Medicaid.

Individuals that have at least 30 quarters of coverage are eligible for a reduction in the Medicare part A premium and meet all of the above requirements are eligible for QDWI.

H-1210.1 Coverage

Coverage is limited to the payment of the Medicare Part A premium.

Note:

Although the BHSF Form 1-MB Application for Medicare Savings Program is commonly used to apply for MSP, it is acceptable to use BHSF Form 1-A, Application for Health Coverage.

H-1221 ELIGIBILITY DETERMINATION PROCESS

Determine eligibility by applying the following criteria. The elements have been listed in the most logical order, but work on all steps simultaneously.

H-1221.1 Determine Assistance/Benefit Unit

The assistance unit consists of the applicant(s)/enrollee(s).

H-1221.2 Establish Categorical Requirement

Verify that the applicant is enrolled, or conditionally enrolled, in Medicare Part A and is considered a QDWI. Medicare part A eligibility, the start date for Medicare Part A, and the Medicare claim number may be verified through the interfaces available in LaMEDS.

H-1221.3 Establish Non-Financial Eligibility

Verify eligibility for the applicant/enrollee with regard to the following factors:

- [Assignment of Third Party Rights](#) I-200
- [Citizenship/Alien Status](#) I-300
- [Enumeration](#) I-600
- [Residence](#) I-1900

H-1221.4 Establish Need**A. Determine Composition of the Income/Resource Unit**

The income/resource unit consists of:

- Applicant/enrollee; or
- Applicant/enrollee and ineligible spouse living in the home; or
- Applicants/enrollees who are a couple living in the same home (eligible couple).

Note:

If SSA considers the applicants/enrollees as a couple for SSI, they are considered an eligible couple for the purposes of budgeting in the Medicare Savings Programs. A categorically eligible spouse is one who is aged, blind, or disabled and lives in the same household of the eligible individual. The eligible spouse does not have to be entitled to Medicare for the couple to be considered an eligible couple.

B. Determine Need/Countable Resources

Determine the total countable resources of the members of the income/resource unit. Refer to [I-1630 SSI-Related Resources](#).

Compare the countable resources to the QDWI resource limits:

- For an individual, if there is no spouse living in the home; or
- For a couple, if there is a spouse (eligible or ineligible) living in the home.

Refer to [Z-900 Resource Limits by Program](#).

If the countable resources are greater than the QDWI resource limit, the applicant/enrollee is resource ineligible.

If the countable resources are equal to or less than the QDWI resource limit, continue determination of need.

C. Determine Need/Countable Income

Individual

If the applicant/enrollee is an individual with no spouse or with an ineligible spouse with no income, complete the following budget steps:

- Step 1. Determine the total gross unearned income.
- Step 2. Subtract the \$20 SSI general income disregard from unearned income.
- Step 3. The remainder is the countable unearned income.
- Step 4. Determine the total gross earned income.
- Step 5. Subtract any remainder of the \$20 SSI disregard from gross earnings.
- Step 6. Subtract earned income deduction from remaining gross earnings. Earned income deduction is \$65 and one-half of remainder of earnings.
- Step 7. The remainder is the countable earned income.
- Step 8. Combine remainders from Step 3 and Step 7.

- Step 9. Compare the total to 200 percent FPL for one person. Refer to [Z-200 Federal Poverty Income Guidelines](#).

If the remaining income is greater than the QDWI income limit for one person, the applicant/enrollee is not income eligible.

If the remaining income is equal to or less than the QDWI income limit for one person, the applicant/enrollee is income eligible for QDWI.

Ineligible Spouse Deeming

If the applicant/enrollee has an ineligible spouse with income, complete budget steps 1 through 9 above using only the applicant/enrollee income.

If the income of the applicant/enrollee is greater than the QDWI limit for one person, the applicant/enrollee is income ineligible and there is no deeming. Consider for the [Medically Needy Program \(MNP\)](#).

If the income of the applicant/enrollee is less than or equal to the QDWI limit for one, apply deeming policy. Refer to [I-1420 Need - Deeming](#). Go to Step 1 of the couple budget.

Couple

If both members of a couple are potentially eligible, or if there is income remaining in the deeming process, complete the following budget steps:

- Step 1. Determine the total gross unearned income by combining the couple's gross unearned income.

Note:

When deeming income from an ineligible spouse, the income of the ineligible spouse remaining after allocation for ineligible children is combined with the income of the eligible spouse. The couple is then treated the same as an eligible couple for budgeting purposes.

- Step 2. Subtract one \$20 SSI general income disregard.

- Step 3. The remainder is the couple's countable unearned income.
- Step 4. Determine the total gross earned income by combining the couple's gross earned income.
- Step 5. Subtract any remainder of the \$20 disregard from gross earnings.
- Step 6. Subtract one earned income deduction from the remaining gross earnings of the income unit. The earned deduction is \$65 and one-half of the remainder of the earnings.
- Step 7. The remainder is the couple's countable earned income.
- Step 8. Combine the remainders in Step 3 and Step 7.
- Step 9. Compare the total countable income to 200 percent FPL for two persons. Refer to [Z-200 Federal Poverty Income Guidelines](#).

If the income is greater than the QDWI income limit for two persons, the applicant/enrollee is income ineligible.

If the income is equal to or less than the QDWI income limit for two persons, the applicant/enrollee is income eligible.

Note:

Count as unearned income to the community spouse any income allocated from an institutionalized spouse.

H-1221.5 Eligibility Decision

Evaluate all eligibility requirements and verification received to make the eligibility decision.

H-1221.6 Certification Period

The certification period may be effective no earlier than three (3) months prior to the application date provided the individual is otherwise eligible and is enrolled in Medicare part A during the retroactive period.

The months of retroactive coverage are not included in the twelve (12) month certification period. The certification shall not exceed twelve (12) months and begins with the month of application.

H-1221.7 Notice of Decision

Send the appropriate notice of decision to the applicant(s)/enrollee(s).

Note:

Applicants enrolled in Medicare Part A are not referred to the Federally Facilitated Marketplace (FFM).