

Implementation Guide:

Medicaid State Plan Eligibility

Closed Eligibility Groups

Contents

POLICY CITATION	2
BACKGROUND	2
Overview.....	2
Transition to SSI	2
• Individuals Receiving Mandatory State Supplements	2
• Individuals Who Are Essential Spouses.....	3
• Institutionalized Individuals Continuously Eligible Since 1973.....	3
• Individuals Eligible in 1973 Who Have Blindness or a Disability	3
OASDI Benefit Increases.....	4
• Individuals Who Lost Eligibility for SSI/SSP Due to an Increase in OASDI Benefits in 1972	4
• Disabled Widows and Widowers Ineligible for SSI due to Increase in OASDI..	4
REVIEWABLE UNIT DEPENDENCIES	6
INSTRUCTIONS.....	8
A. Individuals Receiving Mandatory State Supplements	8
B. Individuals Who Are Essential Spouses.....	8
C. Institutionalized Individuals Continuously Eligible Since 1973	8
D. Individuals Eligible in 1973 Who Have Blindness or a Disability	8
E. Individuals Who Lost Eligibility for SSI/SSP Due to an Increase in OASDI Benefits in 1972	8
F. Disabled Widows and Widowers Ineligible for SSI due to Increase in OASDI..	8
G. Additional Information (Optional)	8
REVIEW CRITERIA.....	8

Closed Eligibility Groups

POLICY CITATION

Statute: 1905(a)

Regulation: 42 C.F.R. §§435.130, 435.131, 435.132, 435.133, 435.134, 435.137

BACKGROUND

Overview

This reviewable unit (RU) describes the mandatory Medicaid eligibility groups that are still in regulations but which are considered now to be closed or obsolete. In this context, “closed” means that states may still be covering some individuals under these groups, but there will be no new applications for eligibility. Eligibility under these groups was based on individuals meeting certain requirements in 1973, before the SSI program became effective, and 1972 and 1983 prior to statutory increases in Social Security Old Age, Survivors, and Disability Insurance (OASDI) benefits.

Transition to SSI

Before the SSI program was implemented, individuals who were age 65 or older or who had blindness or a disability were eligible for Medicaid if they received cash benefits under various programs authorized under the Social Security Act (the Act). Under these grant programs, states paid benefits to individuals who were age 65 or older or who had blindness or a disability, and they had broad authority to determine who would receive benefits and the amount of such benefits.

Beginning in January 1974, these grant programs were repealed (except in the Territories) and replaced with a new title XVI program – Supplemental Security Income for the Aged, Blind and Disabled. The SSI program’s eligibility and benefit rate (which, because SSI is a national program, were uniform across all states) were in most cases different than the requirements and benefit rates states maintained under their former programs. As a result, a number of individuals who were eligible for Medicaid on the basis of their receipt of cash assistance prior to the SSI program’s implementation risked losing their Medicaid if they were ineligible for SSI.

This problem was addressed by a requirement that states provide Medicaid to certain individuals who were Medicaid-eligible under requirements in effect as of December 1973, the month prior to the effective date of the SSI program. The requirements for eligibility for these individuals are set forth in Medicaid regulations at 42 C.F.R. §§435.130-133. The closed eligibility groups are:

- ***Individuals Receiving Mandatory State Supplements***

To compensate for any loss of benefits when SSI became effective, states whose cash assistance program benefit rates, as of December 1973, had been higher than the new SSI program’s benefit rate were required to pay a cash supplement (mandatory state

supplement) to individuals who were transitioned from the state's grant program to the SSI program. States were also required to provide these individuals with Medicaid.

Individuals eligible under this group are those who continue to receive mandatory state supplements and have continued to maintain their Medicaid eligibility in this group since 1973.

- ***Individuals Who Are Essential Spouses***

Individuals eligible under this group were eligible for Medicaid in December 1973 on the basis of being deemed an "essential spouse" to a cash assistance recipient under one of the former cash assistance programs for individuals who are age 65 or older or who have blindness or a disability. Both the individual and his or her spouse must have continued to meet the eligibility criteria for, respectively, an essential spouse and cash assistance recipient, of the cash assistance program in effect in December 1973.

The state plan preprint page, which was applicable to this group prior to MACPro, requested additional information pertaining to limits a state placed on who was covered under this group. Because this group is obsolete and new individuals cannot be enrolled, that information is no longer necessary.

- ***Institutionalized Individuals Continuously Eligible Since 1973***

Individuals eligible under this group were eligible for Medicaid at any point in December 1973 as inpatients of title XIX medical institutions or intermediate care facilities. They have continued to live in, and been determined by the state to need the services provided by, an institution, and continue to meet the state Medicaid plan's eligibility requirements in effect in December 1973.

- ***Individuals Eligible in 1973 Who Have Blindness or a Disability***

Individuals eligible under this group meet all current eligibility requirements for Medicaid except for blindness or disability, but were eligible, as of December 1973, on the basis of having a disability or blindness, and have continued to meet such disability or blindness criteria and all other eligibility criteria for Medicaid in each month since December 1973.

OASDI Benefit Increases

- ***Individuals Who Lost Eligibility for SSI/SSP Due to an Increase in OASDI Benefits in 1972***

As described at 42 C.F.R. §435.134, individuals eligible under this group would be currently eligible for SSI or a state supplement but for the increase in their OASDI benefit mandated by Pub. L. No. 92-336. These individuals were, as of August 1972:

- Entitled to OASDI benefits;
- Receiving federal cash assistance (or met the eligibility requirements for a cash assistance program but had not applied, or would have been eligible but for their institutionalization); and
- Eligible under a group covered by their state's Medicaid program.

- ***Disabled Widows and Widowers Ineligible for SSI due to Increase in OASDI***

Section 134 of the Social Security Amendments of 1983 raised the amount of social security disability benefits for disabled widows and widowers aged 50 to 59, though elimination of a reduction factor in the actuarial formula. As a result of the increase, some beneficiaries lost SSI benefits and Medicaid. Section 12202 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) amended the Act to allow those eligible widows and widowers to be deemed to be receiving SSI benefits for the purpose of Medicaid eligibility.

As described at 42 C.F.R. §435.137, individuals qualifying under this eligibility group:

- Are disabled widows or widowers.
- Became ineligible for SSI or a state supplement as a result of the elimination of the reduction factor required by section 134 of Public Law No. 98-21.
- Would be eligible for SSI or state supplementary payment, except for the increase under Public Law No. 98-21 and subsequent cost-of-living increases in widow's or widower's benefits under section 215(i) of the Act.
- Filed a written application for Medicaid on or before June 30, 1988 or for 209(b) states, filed a written application for Medicaid within 6 months after the state sent a notice pursuant to the District Court's order in *Darling vs. Bowen*.

In *Darling v. Bowen* (685 F. Supp. 1125 (W.D.Mo.1988)), the Western District Court of Missouri ruled that even states that do not use SSI criteria in determining Medicaid eligibility must still notify individuals of their right to apply for status as a deemed SSI recipient under this eligibility group.

Option: State Supplement Recipients. If the state has elected to cover the optional Medicaid eligibility group for individuals who receive only a state supplement, the state must extend eligibility in the group for disabled widows and widowers to individuals who would be eligible for a state supplement but for the increase in

OASDI. All other states have the option of including individuals who received only a state supplement.

REVIEWABLE UNIT DEPENDENCIES

Many RUs in MACPro are dependent upon other RUs. Each time a primary RU is changed, there could be an effect on other, secondary RUs which are dependent on the primary. For example, in the **Mandatory Eligibility Groups** RU, there is a question as to whether the state covers the Adult Group. If **Yes** is selected, and if a box is checked to include the Adult Group in the submission package, then the **Adult Group** RU will be included by the system in the package and the user can navigate to it to complete it. If **No** is selected, the **Adult Group** RU will not be included in the package. In this example, the **Mandatory Eligibility Groups** RU is the **Primary RU** and the **Adult Group** RU is the **Secondary RU**. The **Adult Group** RU is considered to be dependent on selections made in the **Mandatory Eligibility Groups** RU.

Whenever a change in a primary RU may affect a secondary RU, you either need to revise the secondary RU (if it is already in the package) or add the secondary RU to the package so that it can be updated in the same submission package as the primary RU.

The following table explains the dependent relationships for the **Closed Eligibility Groups** RU.

Primary RU	Secondary RU	Nature of Dependency	Actions Needed
Eligibility Determinations of Individuals Age 65 or Older or Who Have Blindness or a Disability	Closed Eligibility Groups	Unless the Eligibility Determinations for Individuals Age 65 or Older or Who Have Blindness or a Disability RU (primary) has either been approved in MACPro or is included, completed and validated in the submission package, the Closed Eligibility Groups RU (secondary) cannot be displayed.	If the secondary RU will not display because the primary RU is neither approved in MACPro nor included in the package: <ul style="list-style-type: none">• Add the primary RU to the package, complete it and validate it.• Alternatively, remove the secondary RU from the package.
Eligibility Determinations of Individuals Age 65 or	Closed Eligibility Groups	The selection of 209(b) State , or SSI Criteria or 1634 State as the basis for the eligibility determination in section A of the	• If you change your election in section A of the primary RU from 209(b) State to Section

Primary RU	Secondary RU	Nature of Dependency	Actions Needed
Older or Who Have Blindness or a Disability		<p>Eligibility Determinations of Individuals Age 65 or Older or Who Have Blindness or a Disability RU (primary) affects the requirements displayed at F.1.d. of Closed Eligibility Groups (secondary) with respect to written application.</p>	<p>1634 State or SSI Criteria State, you must include the secondary RU in the same submission package, as this change will affect the language at F.1.d. in the secondary RU.</p> <ul style="list-style-type: none"> • The system will automatically include the correct language in the secondary RU after the primary RU is saved and validated.

INSTRUCTIONS

A. Individuals Receiving Mandatory State Supplements

There is a statement describing the individuals qualifying for this eligibility group.

B. Individuals Who Are Essential Spouses

There are statements listing the criteria for individuals qualifying for this eligibility group.

C. Institutionalized Individuals Continuously Eligible Since 1973

There are statements listing the criteria for individuals qualifying for this eligibility group.

D. Individuals Eligible in 1973 Who Have Blindness or a Disability

There are statements listing the criteria for individuals qualifying for this eligibility group.

E. Individuals Who Lost Eligibility for SSI/SSP Due to an Increase in OASDI Benefits in 1972

There are statements listing the criteria for individuals qualifying for this eligibility group.

F. Disabled Widows and Widowers Ineligible for SSI due to Increase in OASDI

- **F.1.** has statements about the criteria for individuals qualifying for this eligibility group.
- At **F.2.**, indicate, **Yes** or **No**, if individuals receiving only state supplement qualify for this eligibility group.
 - If **No** is selected, choose one of the two options presented.
 - If **F.2.b.** is selected, a message will display to remind you that this choice should only be made if optional state supplement recipients are not covered in the state plan.
- **F.3.** has a statement about the use of SSI Methodologies in calculating household income.

G. Additional Information (Optional)

Except in limited circumstances, this field remains blank. Please consult with CMS before adding any additional information concerning this RU.

REVIEW CRITERIA

If F.2.b is selected, the state must have selected not to cover Optional State Supplement Beneficiaries in the Optional Eligibility Groups RU.