



NEW JERSEY STATEWIDE INDEPENDENT LIVING COUNCIL
C/O PCIL, 3635 QUAKERBRIDGE ROAD, Suite 40, Hamilton, NJ 08619

Norman A. Smith
Chair

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The New Jersey Statewide Independent Living Council (NJ SILC) is a federally-mandated council whose members are appointed by the governor. The NJ SILC membership is made of people with disabilities and organizations working with people with disabilities. The NJ SILC writes and monitors the federally mandated Statewide Independent Living Plan, and we provide a forum for issues concerning all persons with disabilities.

Based on input from various constituencies related to Independent Living, the NJ Statewide Independent Living Council states the following position and will use its advocacy authority to support this position.

One of the five changes in NJ WorkAbility eligibility requirements which the New Jersey Statewide Independent Living Council (SILC) is strongly recommending is the **removal of the limit on earned income**, currently at 250% of the Federal Poverty Level (FPL in 2021: \$1,074/month per person). Such a removal would allow workers with disabilities to reach their full earnings potentials by working more hours and by seeking higher-paid jobs and career advancement. Currently eight states (AK, AR, MA, MI, MN, NC, WA, and WY) impose no limit on earned income on enrollees of their Medicaid Buy-In (MBI) programs. Below are reasons for removing WorkAbility's limit on earned income:

Removing NJ WorkAbility's limit on earned income is likely to yield financial benefits to the public sector: A 2013 study by Mathematica Policy Research¹ of MBI enrollees with a minimum earned incomes of 250% of the FPL showed that they were less likely to be enrolled in Medicare and more likely to have private health coverage through employers. The type of Medicaid services relied on by

¹ Mathematica Policy Research, Characteristics and Service Use of Medicaid Buy-In Participants with Higher Incomes (May 2013). <https://www.mathematica.org/our-publications-and-findings/publications/characteristics-and-service-use-of-medicaid-buyin-participants-with-higher-incomes-a-descriptive-analysis>

such enrollees tended to be prescription drugs and durable medical equipment. Without being eligible for MBI programs, high-income workers may be forced to stop or decrease work which would qualify them for public assistance and Social Security Disability Insurance (SSDI) and/or Supplemental Security Income (SSI). The public sector also benefits from higher tax revenues paid by these high-income enrollees. In summary, the above study by Mathematica concludes that the public sector's benefits of higher-earners' continuation in the workforce outweigh the Medicaid costs.²

Expanded access to NJ WorkAbility will benefit the business community:

When workers with disabilities don't have to suppress their earnings or hours to ensure continued eligibility for Medicaid, their employers are less likely to be concerned with the possibility that their employees with disabilities who have received skills development and career advancement may be forced to quit their jobs or reduce their hours for fear of losing Medicaid eligibility.³

National and state studies regarding MBI programs found an association between MBI programs' participation over time and improved physical, mental, and emotional health of programs' enrollees, as well as quality of life: A 2011 review by a team of researchers at Boston University's Center for Psychiatric Rehabilitation of 30 national and state studies of MBI programs found that, in addition to higher monetary benefits over time, MBI programs' participants felt more financially secure, and some reported improvements in mental health associated with working, a sense of purpose, and more meaningful engagement in the community.⁴ A longitudinal evaluation of participants' experiences with the MBI program in Kansas, *Working Healthy*, during the period from the its implementation in 2002 through 2010 found that more than half of the respondents to the program's evaluation team's annual surveys consistently indicated that their financial status, level of independence, and quality of life improved notably since enrolling in *Working Healthy*.⁵

Expanded access to NJ WorkAbility will yield substantial fiscal benefits to the federal, state, and local governments: One of the most compelling benefits of

² *Ibid*, p. 24.

³ The LEAD Center. *Medicaid "Buy-In" Q&A* (Last updated June 2019). <http://www.leadcenter.org/resources/tool-manual/understanding-medicaid-buy-tool-advance-employment-people-disabilities>

⁴ Gavin, McCoy-Roth, and Gidugu. *Review of Studies Regarding the Medicaid Buy-In Program* (2011). <http://www.bu.edu/drrk/research-syntheses/psychiatric-disabilities/medicaid-buy-in/>

⁵ The University of Kansas, Center for Research on Learning, *Working Healthy Data Chartbook* (2nd Edition): Kansas Medicaid Buy-In Research and Evaluation: 2002 – 2010 (July 2011), page 3. https://ihdps.ku.edu/sites/ihdps.drupal.ku.edu/files/docs/2011chartbook_for_screenreaders.pdf . *Working Healthy* includes the state's provision of benefits planning outreach and counselling to program's enrollees and other individuals who are considering entering the labor force or increasing employment.

improving work incentives for people with disabilities through expanded access to NJ WorkAbility is the compounded impact of higher earned income for people with disabilities on budgets of federal, state, and local governments. According to the National Council on Disability, an increase of \$1 in earnings of people with disabilities results in an estimated \$10 public sector's aggregate benefits, arising from increases in federal, state, and local tax revenues, as well as reduced spending on public assistance (e.g. *Supplemental Nutrition Assistance Program [SNAP]*, public sector's housing vouchers, Low Income Energy Assistance Program [LIEAP], and state childcare subsidies).⁶ In addition, improved physical and mental health outcomes of MBI programs' enrollees over time reduce healthcare expenditures of the state and federal governments⁷, with estimated reductions of ~22% reported in Kansas.

Finally, the NJ SILC also recommends the **exclusion of spousal earnings and resources** from the individual's deemed levels for financial eligibility determination. For example, the unearned income limit of an eligible couple is \$1,437 per month, or only 1.35 times the individual's limit (of \$1,064 per month); a proportionate limit for two people would be twice the amount of the individual's limit. *Twenty-two* other states (AZ, AR, CO, CT, GA, ID, IN, LA, MA, MI, MN, NV, NM, NC, OH, OR, PA, RI, SC, SD, TX, and WA) only count the individuals' earnings and resources in financial eligibility determinations. The exclusion of spousal earnings and resources would remove the marriage penalty from an unintended consequence of WorkAbility's eligibility requirements.

People with disabilities represent the single largest population demographic whose talents remain untapped. Improved access to NJ WorkAbility and other work incentives would enable more New Jerseyans with disabilities to reach their full potentials, enter and remain in the workforce, contribute their skills to the success of local business and industry, contribute as taxpayers, achieve greater financial self-sufficiency, engage in their communities more fully and meaningfully, and continue living independently.

Respectfully submitted:

 His Mark

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NJ SILC

⁶ Page 37 of the National Council on Disability Report.
https://ncd.gov/rawmedia_repository/b01bc342_353d_4b08_ba4b_7f0edfb0dd68.pdf

⁷ Page 32 of the above NCD Report.