WORKING HEALTHY
Making health care work

Policy Brief

UNIVERSITY OF KANSAS MEDICAID INFRASTRUCTURE CHANGE EVALUATION PROJECT

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# WORKING HEALTHY: THE FIRST STEP IS WORK

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Working Healthy, the Kansas Medicaid Buy-In program, allows people with disabilities to enter or increase employment and keep their Medicaid coverage. One of the first requirements to qualify for Working Healthy is to have a job. In a Satisfaction Survey mailed to Working Healthy participants in June 2003, we asked how each person had found his or her most recent employment (Table 1). By far the most common way respondents had found their jobs was by themselves, through such means as newspaper ads and word of mouth.

This finding is interesting in light of two recent pieces of federal legislation. The Ticket to Work and Work Incentives Improvement Act of 1999 was intended to provide incentives and supports for people with disabilities to work or work more.

The first part of the legislation creates a program called the "Ticket to Work." The "ticket" is a voucher that consumers can use to select their own employment or rehabilitation provider and receive services at no cost. In late 2002 and early 2003, tickets were mailed to 70,610 Kansans with disabilities receiving Supplemental Security Income (SSI) and/or Social Security Disability Insurance (SSDI). To date, only 60 of these tickets have been used, or "assigned" to a participating employment network (Social Security Administration, March 2004).

Another federal law, the Workforce Investment Act of 1998 (WIA), consolidates many former federal employment initiatives under the umbrella of "One-Stop" centers. These One-Stop centers

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## WORKING HEALTHY AND THE NEW MEDICARE LAW

Comments from interviews and surveys of Working Healthy participants who are dually eligible for Medicare have repeatedly underscored the fact that they are better able to get their prescription medications because of Working Healthy. Prior to their enrollment, many Working Healthy participants had to incur very large medical expenses to qualify for Medicaid coverage. This process, called a spenddown, often meant that they had only sporadic coverage for prescription medications. These individuals, who now have continuous Medicaid eligibility through Working Healthy, frequently relate that their conditions are more stable because of consistent access to medications. For these people, especially, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (P.L. 108-173) may have serious implications.

If the law is implemented as it is currently written, people with disabilities who have both Medicare and Medicaid coverage (the so-called "dual-eligibles") will no longer be able to access prescription drugs

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***...'The First Step is Work" continued...***

are statutorily required to make their job search and training services accessible to jobseekers with disabilities, also at no cost. According to the WIA Strategic Plan for Kansas (Kansas Department of Human Resources, 2001), core services are available to anyone using a One-Stop Career Center. Core services include:

- eligibility determination for specialized services;
- initial assessment of skill levels, aptitudes, abilities, and supportive service needs; and
- job search and placement assistance and, where appropriate, career counseling.

Other more intensive services are available to people who need them, including:

- adult education and literacy activities;
- job readiness training; and
- on-the-job training.

In a series of recent personal interviews, seven Working Healthy participants recalled having received their "tickets" in the mail, but only one knew what it was for. None of the Satisfaction Survey respondents indicated they had used a Ticket to find their current employment. Similarly, most of the people interviewed did not believe that One-Stop centers would be able to help them find jobs. In fact, other research in Kansas has indicated that people with disabilities often report that One-Stop Centers are not very helpful to them (Hall and Parker, in prep.).

One of the most frequent requests of callers to the Working Healthy information line is help in finding a job. Based on these calls, as well as findings from the surveys and interviews, many Kansans with disabilities are simply not aware of the variety of no-cost services available to assist them in their job search and in obtaining training to increase their employability. Others do not believe the services can help them or have had negative experiences using them. These programs cannot fulfill the intent of the legislation that created them if eligible persons do not use them or cannot get the services they need.

Table 1. How Working Healthy Enrollees Found Their Jobs*

| Method | Frequency (n=146) | Percent |
|---|---|---|
| By myself/newspaper ad/word of mouth | 60 | 41.1 |
| One-Stop/Employment Center/Job Service | 25 | 17.1 |
| Case manager/Community Mental Health Center/job coach | 23 | 15.8 |
| Recruited | 12 | 8.2 |
| Family | 9 | 6.2 |
| Vocational Rehabilitation | 5 | 3.4 |
| Sheltered workshop | 4 | 2.7 |
| Through volunteer work | 3 | 2.1 |
| School | 2 | 1.4 |
| On-line | 1 | .7 |
| Consumer run organization | 1 | .7 |
| Church | 1 | .7 |

*From the Working Healthy Satisfaction Survey, June 2003.

These findings suggest that service providers and other professionals need to be aware of the Ticket program and One-Stop centers and share this information with their clients who have disabilities and want to work. Equally important, One-Stop centers must do more to provide effective services to jobseekers with disabilities.

***…'The New Medicare Law" continued…***

through Medicaid. Rather, they will be required to participate in the new Part D Medicare prescription plan. While the actual impacts of this change cannot be assessed with certainty at this point, the fact remains that Medicare beneficiaries with disabilities are different from the majority of beneficiaries with regard to their prescription drug use and costs and may be disproportionately affected by the legislation.

In 2000, the White House National Economic Council/Domestic Policy Council released a report on "Disability, Medicare, and Prescription Drugs." One of the key findings in the report is that, compared to Medicare beneficiaries in general, those with disabilities require a greater number of prescription drugs and the drugs are more expensive. Specifically, the average beneficiary with a disability had 28 prescriptions filled per year compared to the overall Medicare beneficiary average of 20 prescriptions per year. In addition, people with disabilities spent 50% more on drugs due not only to having more prescriptions, but also because the drugs needed were more expensive.

The Kaiser Commission on Medicaid and the Uninsured (2004) recently published the following information about dual-eligibles and the coming changes to Medicare:

- As of January 1, 2006, states cannot provide federally-financed prescription drug coverage to dual-eligibles even if those individuals are not yet enrolled in a Medicare Part D plan. By the same token, dual-eligibles do not have the choice to remain with their current Medicaid coverage instead of signing up for a Medicare Part D plan.
- Under the new Medicare Part D, people with dual Medicare/Medicaid eligibility will pay up to $2 per generic drug and $5 per brand name drug in 2006, compared to a flat $3 co-pay currently for Working Healthy enrollees. After 2006, the co-pays will increase each year.
- The current Medicaid rule that prohibits providers from denying prescriptions to individuals who cannot meet a co-payment requirement will not apply to dual-eligibles enrolled in Part D plans. Thus, if a dual-eligible is unable to meet a Part D co-payment, he or she can be denied the prescription until the co-payment requirement is met.
- In many circumstances, the array of drugs covered by Part D plans may fall short of those covered under Medicaid. This is likely to be particularly true of the Part D plans in which dual-eligibles can afford to enroll given that they receive a premium subsidy only for the cost of enrolling in plans with average or below-average premiums. While Medicaid programs generally are required to cover all medically necessary drugs, Part D plans have far more flexibility to limit the array of drugs that they will cover.

Given the potential impact on Working Healthy enrollees and other dual-eligibles, this legislation will need to be watched closely by consumers, service providers and advocates.

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WORKING HEALTHY

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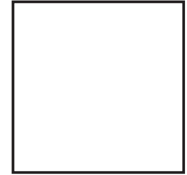

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