



DEPARTMENT OF HUMAN SERVICES

DIVISION OF DEVELOPMENTAL DISABILITIES

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POLICY MEMORANDUM 15-01

DATE: July 25, 2014
TO: CSP Directors
FROM: Dan J. Lusk, Director 
SUBJECT: Post eligibility treatment of income – Cost Share

On July 8, 2014 the Centers for Medicaid and Medicare (CMS) approved a request submitted by the Division of Developmental Disabilities (DDD), in collaboration with the Department of Social Services (DSS)/State Medicaid Agency, to amend the CHOICES Medicaid waiver. The CHOICES waiver provides individualized, person centered supports for people with intellectual and developmental disabilities. The amendment removes the payment reduction requirements for earned income from the post-eligibility treatment of income formula, otherwise known as the participant cost share on earned income from employment.

The amendment is directly attributable to the input received from self-advocates, Community Support Providers, Native American Tribes and other stakeholders during various efforts to solicit public input regarding the renewal of the CHOICES waiver. Governor Daugaard's Employment Works Task Force also played a key role by supporting the removal of disincentives toward employment for people with disabilities.

Previously, if an individual earned income more than \$400 within one calendar month, a cost share was incurred in the amount exceeding \$400. The CSP then collected the amount exceeding \$400 from the individual. The amendment removes this cost share and allows individuals to keep their earned income.

Eligibility requirements for SSI and Medicaid still apply; meaning an individual's earned and unearned income cannot exceed 300% of the Federal Benefit Rate (FBR). The FBR is currently \$721 of which 300% is \$2,163. An individual's resources must be \$2,000 or less on any day of the month in order to maintain Medicaid eligibility for that month.

Below are some examples illustrating the removal of the cost share from the CHOICES Medicaid waiver:

1. An individual receives an SSI payment of \$500 monthly and also has an earned income of \$1,500 monthly. No cost share would be incurred due to earned income. The individual's earned and unearned income totals \$2,000, which does not exceed 300% of the FBR or \$2,163 and the individual maintains Medicaid eligibility.
2. An individual receiving Social Security benefit payments in excess of the \$721 FBR will incur a cost share. If an individual receives \$1,000 monthly in Social Security benefit payments, a cost share of \$279 will be incurred due to unearned income exceeding the FBR.

If you have any questions about the CHOICES Medicaid waiver amendment, do not hesitate to contact, Colin Hutchison, CHOICES Waiver Manager (Colin.Hutchison@state.sd.us).

Thank you for all your efforts to foster gainful and meaningful employment opportunities in South Dakota's intellectual/developmental disabilities community.

cc: Mark Bratt, Executive Director, Community Support Providers of South Dakota
DDD staff