



Social Security Disability Insurance, Medicare and Employment

Social Security Disability Insurance

Social Security Disability Insurance (SSDI) is a benefit for individuals who have a medical condition that meets the definition of disability and has one or both of the following:

1. A qualifying work record.
2. Is eligible for Disabled Adult Child Benefits because their parent had a qualifying work record and is deceased, taking Social Security retirement or disability benefits *and*
The individual with a disability is over the age of 18
The disability occurred before age 22

What is a qualifying work record?

That means if you have worked long enough, paid into the system through FICA taxes and earned enough “credits” to qualify. The number of credits varies based on age, and whether you are seeking disability or retirement benefits. For an individual with a developmental disability under the age of 24 who is working, this could be as soon as they have 6 credits. For more information visit this website:

<https://www.ssa.gov/pubs/EN-05-10072.pdf>

Can I receive SSDI benefits from my own work record *and* my parents?

Yes, if you are receiving Supplemental Security Income (SSI) and working, you will begin to receive SSDI benefits when you have earned enough work credits. In addition, you may also begin receiving Childhood Disability Benefits (formerly Disabled Adult Child Benefits) when your parent dies, or is receiving disability or Social Security retirement benefits, if they had a qualifying work record. It is important that when your parents apply for their Social Security Administration benefits, they tell the SSA that they have a child with a disability.

SSDI, SSI and Medicaid

What happens to my SSI payment when I receive SSDI?

Since SSDI is unearned income, and SSI is a needs-based benefit, your SSI payment will be reduced by the SSDI payment, after a \$20 exclusion is applied. If your SSDI payment (after the \$20 exclusion) is more than your full SSI payment, you will no longer be eligible to receive your SSI payment.

If my SSI payment is reduced to \$0? Will I still be eligible for Medicaid?

There are a number of ways to remain financially eligible for Medicaid. It is important to respond to any requests for information regarding your Medicaid eligibility, as most Medicaid eligibility is determined at the State level, while Medicaid for someone who is on SSI is determined at the Federal level. Therefore, if your SSI payment is reduced to \$0 because you begin receiving an SSDI payment, you will receive a letter from Social Security notifying you that you are no longer eligible. You should then receive a letter and forms from the State requesting information to determine Medicaid eligibility. Please note that for most Medicaid eligibility groups, the resource limit is \$2,000, just as it is when you receive Medicaid because you are SSI eligible.

Why is it important to stay Medicaid eligible?

Although Medicaid provides many of the same healthcare services that Medicare does, Medicaid pays for almost *all* of your developmental disability waiver services, including job coaching, respite, personal care and residential services. Medicaid will also pay for your Medicare premium if you are Medicaid eligible.

If I am receiving SSI and have enough work credits to receive SSDI, do I need to apply?

Usually Social Security will notify you when you have enough credits, but they are often backlogged. They usually catch this at an SSI review. If you think you qualify, you can call and inquire about applying. Once Social Security has determined you have enough credits and are qualified for SSDI, you will receive a back payment for any months that you were qualified and did not receive a payment. Those who are eligible to receive SSDI are mandated to be moved in whole or part from SSI to SSDI.

I received a back payment from SSDI, what do I need to do?

The back payment will count toward your \$2000 asset limit for Medicaid, but you have 9 months to spend the payment, before it is considered a resource. You may purchase items for your care or use, put it into a Special Needs Trust, the Washington State Endowment Trust Fund, or into a qualifying ABLE account.

Employment and SSDI

If I am working and my SSI payment is \$0, do I have to report my earnings to Social Security?

Yes, in order to protect against overpayment of Social Security Benefits, it is important to report earnings. Reporting earnings is also important to remain Medicaid eligible. You are required to report a change in income within 30 days of the change. If you are on SSI and Medicaid, you will report the change to Social Security. If you are on Medicaid and not on SSI, you will report the change to the State.

What if I lose my job?

If you are still SSI eligible, (your SSDI payment is less than the full SSI amount \$967 in 2025) you should contact Social Security office, and they can re-start or adjust your SSI payments again without having to re-apply. If you are only receiving SSDI and need to continue to be Medicaid eligible, you are required to contact the Department of Social and Health Services, so they are aware of the change in income within 30 days of the change.

How do I report income changes when I am receiving Medicaid, but not on SSI?

- **Online:** Go to Washington Connection (<https://www.washingtonconnection.org/home/>) select “Report a Change” and follow the prompts.
- **Phone:** Call the DSHS Customer Service Center at 1-877-501-2233.
- **Paper:** Submit verification of the change to: DSHS-CSD, PO Box 11699, Tacoma, WA 98411-6699.

How much money can I earn if I have SSDI?

To retain your SSDI eligibility, you may *earn* up to \$1,620 per month (2025) and keep all of your SSDI income. Unlike SSI, which reduces your earned income by 0.50 cents for each \$1.00 earned, SSDI is an all-or-nothing benefit. However, there are a variety of work incentives which allow you to “test” work, and have a safety net for cash benefit eligibility, based on a number of factors. Understanding how earnings affects SSDI has a lot of

complexities. It is important to seek benefits counseling to fully understand how work affects benefits.

Are there other ways to that I can earn more money and keep my SSDI or Medicaid benefits?

- Yes, there are Social Security **Work Incentives** including Impairment Related Work Expenses (IRWE) and other work incentives that may reduce your countable income and assist you in staying eligible for SSDI as well as Medicaid. A benefits counselor will be able to provide information about these options.
- There are additional income eligibility groups for accessing Medicaid and Medicaid Waivers:
 - If you are working or have other incomes sources (like SSDI/SSDAC) there is a **Special Income Limit** for that allows you to have total monthly gross income of up to 3 times the amount of the annual SSI Federal Benefit Rate (2025 amount=967x3=\$2,901) and retain your eligibility for Medicaid Waiver services. You still must keep your assets below \$2000.
 - You may be eligible for the **Apple Health for Workers with Disability (HWD)** Program. Apple HWD allows an individual with a disability who is working to “Buy in” to Medicaid. You pay a monthly premium based on your income. Apple HWD does NOT have an asset limit.

<https://www.dshs.wa.gov/esa/community-services-offices/apple-health-workers-disabilities-hwd-program>

Benefits Planning

This is all very confusing and I am worried that I might lose my benefits. What can I do?

It is important to seek out help *before* your situation becomes too complex or if you are getting new benefits. Knowing what your options are is important. There are several places that you can receive benefits planning. If you are working, your job vendor may have basic knowledge of benefits planning. If you are having difficulty accessing a resource that can provide the information you need, there are other planning resources:

- **Plan to Work** offers planning: call 866-497-9443.
- **DVR** offers benefits planning, request a plan from your DVR counselor.
- **DDA** offers benefits planning through Individual Technical Assistance for people who are on the waiver. Ask your case manager for a referral for Individual Technical Assistance.
- **BenefitU** offers benefits planning services. Learn more: <https://benefitu.org/>

Medicare

When do I become Medicare eligible after I begin receiving SSDI?

You become eligible for Medicare two years after you are eligible to receive your first cash payment for SSDI.

Can I be both Medicare and Medicaid eligible?

Yes, but there are income and resource thresholds to be aware of with Medicaid. Keep in mind that Medicaid pays for most all Developmental Disability Administration (DDA) long-term care services like personal care, residential and employment supports. So it is important to stay Medicaid eligible.

What is the difference between Medicare and Medicaid?

Medicare is an **insurance** program that provides medical care for seniors age 65+ and some younger individuals with disabilities. You pay into the program through your payroll taxes (FICA -Federal Insurance Contributions Act) and receive “credits” for each quarter you work. Medicare has four parts to it:

Part A: Hospital Insurance

Part B: Medical Insurance

Part C: Medicare Advantage Plans

Part D: Prescription Drug Coverage. Individuals pay co-payments.

Medicaid is a joint federal and state program that provides free or low-cost health insurance to low-income individuals, families, and children, pregnant women, the elderly, and people with disabilities. It is paid for by Federal and State taxes. For individuals with disabilities, along with Medical coverage, it can provide long-term care services like residential, employment and respite through a Home and Community Based Waiver.

Do I have to sign up for Medicare?

If you are on Medicaid, you are automatically signed up for Medicare Part A when you become eligible. To obtain Medicare Part B and Part D (the most typical coverage areas), you must opt in and pay a premium. If you decide not to select these options, and you don't have "creditable coverage", you may be charged a 10% penalty on the premiums for each year without coverage when you do choose to opt in.

What if I can't afford the premiums and other costs of Medicare?

If your income is low, you should be eligible for "extra help" from the state. Extra help pays for Medicare premiums, deductibles, copays and the "Donut hole/coverage gap". The state offers several Part D prescription drug plans that do not have a premium. If you are on Medicaid, Medicaid will pay premiums and co-payments.

Do I have to pick a Medicare Part D (Prescription Drug Plan)?

Yes, if you are on Medicaid and do not pick a Prescription Drug Plan, the state will pick one for you. There are a limited number of "Extra Help" plans that offer low or no premiums.

Standalone Prescription Drug Coverage for Medicare:

<https://www.ehealthinsurance.com/medicare/parts/stand-alone-medicare-prescription-drug-plans/>

Who pays for my care when I have both Medicare and Medicaid?

Medicare will pay first, then Medicaid will pick up the co-pays, co-insurance, deductibles and other things that Medicare may not pay for.

Can I have private insurance and Medicare and Medicaid?

Yes, you can have all three forms of insurance. Private insurance pays first, then Medicare, and Medicaid is always the payer of last resort. The exception is if the private insurer is a company of less than 100 employees, then Medicare is first, then private, and Medicaid is last. However, if your private insurance is through an employer with less than 100 employees, Medicare becomes the primary payer, followed by private insurance, with Medicaid as the final payer.

Sometimes the WA state Healthcare Authority (HCA) will pay the premium for private insurance. The state will look to see if it is advantageous for them to pay some or all the private insurance premium as a method of cost savings for Medicaid. Inquire through the Premium Payment Program. <https://www.hca.wa.gov/free-or-low-cost-health-care/program-administration/premium-payment-program>

Can I stay on my parent's private insurance plan after age 26?

Some employer-based health insurance plans allow you to stay on your parent's private insurance plan after age 26 if you have a disability. You will need to contact the health insurance company when you turn 25 to ask them what kind of documentation they need in order to keep you on private pay insurance when you turn 26. They will need either:

- A Benefits Verification Letter
- A Benefits Explanation Query (more detailed)

What about Medicare Advantage Plans (Medicare Part C)?

Medicare Advantage Plans are private managed care plans that have contracted with Medicare that you can choose instead of Parts A and B. (original Medicare). They sometimes offer other benefits that traditional Medicare does not (like dental and vision). Most plans also include Part D (prescription drugs). There are certain "Special Needs Plans" (SNP) that are for individuals who are dual enrolled in Medicare and Medicaid and do not have premiums.

You can purchase a Medicare Advantage program, but there are important things to consider:

- Are the providers you need on the plan?
- If you choose a plan other than a SNP, will the plan's in-network providers accept Medicaid?
- If you choose a plan other than an SNP will the plan's providers bill correctly and/or refer to Medicaid providers as needed?
- If you choose a plan other than a SNP will the providers' office know what Medicaid covers and what the plan covers?
- There **will be** monthly premiums to pay if you do not choose a "Special Needs Plan". Medicaid will not cover Medicaid Advantage premiums.

Medicare Advantage Plans in King County

(2025) <https://www.comparemedicareadvantageplans.org/medicare-advantage-plans-king-county/>

Do I have to have a Medicare Advantage Plan?

No. This is up to you. You will want to be sure that the providers you use take both Medicare and Medicaid.

What if I have private health insurance and Medicare and Medicaid? How does that work with Medicaid Advantage Plans?

When you have both Medicare, Medicaid, and private health insurance, the order in which they pay for your healthcare costs is called "coordination of benefits." Medicare generally pays first for services it covers, followed by private insurance, and then Medicaid as a payer of last resort. If a service is not covered by Medicare or private insurance, Medicaid may cover it.

What are Medigap Plans?

Medigap plans, also known as Medicare Supplement Insurance, are health insurance policies sold by private companies to help cover the costs that Original Medicare doesn't fully cover. They essentially "fill the gaps" in Original Medicare coverage. If you have both Original Medicare (Parts A and B) and a Medigap plan, both Medicare and your Medigap policy will contribute to the cost of your healthcare.

If I have both Medicare and Medicaid do I need a Medigap plan?

Medigap Plans are likely to be unnecessary if you are on a Developmental Disabilities Administration (DDA) Medicaid Waiver. Medicaid will pay for the same things that a Medigap plan will like co-payments, co-insurance, deductibles and other services that Medicare does not cover. Medigap plans require monthly premiums which can be significant and Medicaid will not pay for these premiums.

Resources

How you earn Social Security Credits: <https://www.ssa.gov/pubs/EN-05-10072.pdf>

Social Security Work Incentives

<https://www.ssa.gov/disabilityresearch/wi/generalinfo.htm>

Information about ABLE Accounts:

<https://www.ablenrc.org/what-is-able/what-are-able-accounts/>

Developmental Disabilities Endowment Trust Fund

<http://ddetf.wa.gov/>

Information about Special Needs Trusts

<http://arcofkingcounty.org/resource-guide/legal/special-need-trusts-wills.html>

State Health Insurance Benefits Advisors (SHIBA): Offers information about Medicare and can answer individual questions.

1-800-562-6900 (8am - 5pm, Monday - Friday)

<https://www.insurance.wa.gov/insurance-resources/get-help-medicare/get-free-medicare-help-shiba/find-local-shiba-office>

2025 Medicare Part D Plans stand-alone prescription drug plans – WA State

<https://www.insurance.wa.gov/sites/default/files/2025-02/2025-part-d-medicare-standalone-plans.pdf>

Apple Health for Workers with Disabilities (HWD) Program

<https://www.dshs.wa.gov/esa/community-services-offices/apple-health-workers-disabilities-hwd-program>

How to access the Department of Social and Health Services to apply for or learn more about Medicaid?

You may access this information online or by phone:

- **Online:** Go to Washington Connection (<https://www.washingtonconnection.org/home/>) and follow the prompts.
- **Phone:** Call the DSHS Customer Service Center at 1-877-501-2233.