



Transition FAQ

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Why did my adult child move from SSI (Supplemental Security Income) to SSDI (Social Security Disability Income) when my husband/wife retired and started receiving his/her Social Security retirement benefits? Then we got a letter saying he lost his Medicaid. We need help!!

We hear this question often in our office from parents across the state. There is a new regulation we hope will make this situation easier to navigate.

First, let's discuss why a child on SSI could possibly move to SSDI when a parent retires and starts receiving Social Security retirement benefits.

This could happen if the parent has a child with a disability who qualifies as a Disabled Adult Child (DAC). When the parent completes the preliminary paperwork to claim their retirement benefits, there is a box to check if you have a "disabled adult child." Checking this box starts a chain of events that could eventually move the child from SSI to SSDI. Many times this enables the DAC to receive a higher benefit from SSDI than they were receiving for SSI. (DAC will receive 1/2 of parent's retirement amount)

So let's define what exactly is a Disabled Adult Child (DAC)?

In order to qualify for SSDI as a DAC, you must be unmarried, 18 years old or older, and have become disabled before turning 22 years old. Adult children qualify for benefits under their parent's Social Security eligibility. This means that the parent under whom they qualify must fall into one of the following categories:

- Be deceased
- Receive Social Security Retirement Benefits
- Receive Social Security Disability Benefits

The SSA reviews claims for adult children under the same general eligibility and medical eligibility criteria as they do with any other adult disability application. The only difference in an adult child's eligibility determination is the fact that the parents' [work credits](https://www.disabilitybenefitscenter.org/glossary/social-security-disability-work-credit) (<https://www.disabilitybenefitscenter.org/glossary/social-security-disability-work-credit>) are accounted for rather than the child's in deciding if the child has sufficient contributions to the SSDI fund to meet this portion of the general eligibility criteria for receiving disability benefits.

It is important to note that according to SSA regulations, a child doesn't have to be a biological child of the qualifying parent. A stepchild, grandchild, and sometimes, even step-grandchildren can qualify, provided the parent or grandparent under whom they qualify for SSDI benefits was their legal guardian.

Texas Parent to Parent

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Back to our FAQ at the beginning of the article. The problem has been the switch from SSI to SSDI for DACs has not been smooth in the past. When the DAC no longer received SSI, they therefore lost the Medicaid attached to it as well. Many people do not know you can simply reapply for Medicaid as a DAC due to Section 1634-C provision of Social Security. Texas has recently acknowledged the problem and is addressing it with a new procedure aimed at streamlining the process.

RULE CHANGE:

There has been a rule change for individuals who lose their SSI and Medicaid due to the start of SSDI on their parent's record. Medicaid will now provide 2 months of gap coverage and send an application form for DAC benefits to the individual upon notification from SSI that the individual has lost their SSI due to the start of SSDI. Applications will be expedited for individuals who receive gap coverage and return their application before the last day of the gap coverage.

https://hhs.texas.gov/sites/default/files//documents/laws-regulations/handbooks/mepd/bulletins/09-19-17_17-9.pdf

To summarize, Medicaid is now supposed to notify SSI recipients of the change by sending them a new Medicaid application and provide an opportunity to reapply for Medicaid after they switch to SSDI. They are providing a two-month gap period to complete and submit the new Medicaid application but we recommend completing and sending it in as soon as possible.

Two exceptions to note:

1) Some people may be able to receive SSI and SSDI at the same time (concurrently). This would occur if the SSDI payment were less than the SSI payment. In this case, the individual would maintain Medicaid thru SSI and there would be no need to reapply for Medicaid.

2) In some cases, an adult child may also have a work history during which they contributed to the Social Security Disability fund and would therefore potentially qualify for receiving disability benefits paid based on their own work history. However, in most instances, the amount of benefits an adult child can receive are higher if they qualify under their parents' eligibility instead. This is because the adult child typically has a much more limited work history, which can affect the amount of their monthly SSDI payments.

If the adult child is working, their income must not exceed the SGA (Substantial Gainful Activity) of \$1,170 for 2017 to remain eligible for SSDI. (Note: Subsidies can be used to reduce earnings below SGA). If someone on SSI moves to SSDI on their own work credits, they cannot use 1634-C to maintain Medicaid but there are options such as Medicaid Buy-In for working individuals. Or the individual could switch to Waiver Medicaid if on HCS or CLASS waiver programs. You can contact our office (866-896-6001 or 512-458-8600) for more guidance on this.

If you have any questions, please give our transition team a call at 866-896-6001 or 512-458-8600!

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