

# **Part I Chapter 6 – Understanding Concurrent Beneficiaries**



# Contents

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Chapter 6 – Understanding Concurrent Beneficiaries .....	1
Learning Objectives.....	1
Acronyms .....	1
Introduction .....	2
Concurrent Beneficiary Status .....	2
Work and Concurrent Beneficiaries.....	4
Work and Cash Payments for Concurrent Beneficiaries .....	4
Work and Healthcare Benefits for Concurrent Beneficiaries.....	6
Work and Medicare Savings Programs (MSPs) .....	7
Medicare Part D Low-income Subsidy (LIS) and Earnings .....	8
Reporting Income and Resource Changes and LIS Redeterminations for Those Not Deemed Eligible.....	9
Next Steps.....	11



# Chapter 6 – Understanding Concurrent Beneficiaries

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## Learning Objectives

After you have read this chapter and completed the associated lectures and activities during WIPA Initial Training, you should be able to:

1. Define the term “concurrent beneficiary” and describe under what circumstances an individual would become a concurrent beneficiary.
2. Describe the effect of paid employment on a concurrent beneficiary’s cash benefits (SSI and the Title II disability benefit).
3. Describe the effect of paid employment on a concurrent beneficiary’s Medicaid and Medicare coverage.
4. Describe the effect of paid employment on eligibility for the Medicare Savings Program (MSP).
5. Describe the effect of paid employment on the Medicare Part D Low-income Subsidy (LIS).

## Acronyms

- BEP – Break-even Point
- CDB - Childhood Disability Beneficiary
- COLA – Cost of Living Adjustment
- CWIC – Community Work Incentives Coordinator
- DWB – Disabled Widow(er)s Beneficiary
- EPE – Extended Period of Eligibility
- FBR – Federal Benefit Rate
- FPL – Federal Poverty Level
- GIE – General Income Exclusion
- IRWEs – Impairment Related Work Expenses

- LIS – Low-income Subsidy
- MSP – Medicare Savings Program
- PASS – Plan to Achieve Self-Support
- QDWI– Qualified Disabled Working Individual
- QI – Qualified Individual
- QMB – Qualified Medicare Beneficiary
- SGA – Substantial Gainful Activity
- SLMB – Special Low-income Medicare Beneficiary
- SSDI – Social security Disability Insurance
- SSI – Supplemental Security Income
- TWP – Trial Work Period

## **Introduction**

Social Security defines a “concurrent beneficiary” as someone who is eligible for both Supplemental Security Income (SSI) and a benefit authorized under Title II of the Social Security Act at the same time. Concurrent beneficiaries receive two separate payments each month and these payments usually come on different days of the month. In the WIPA program, most concurrent beneficiaries receive a Title II disability benefit – Social Security Disability Insurance (SSDI), Childhood Disability Benefits (CDB) or Disabled Widow(er)s benefits (DWB). However, you may encounter individuals who get SSI paired with child’s benefits, early retirement benefits, child-in-care benefits, or another Title II benefit unrelated to disability. In this chapter, we will focus on concurrent beneficiaries who receive benefits based on disability.

## **Concurrent Beneficiary Status**

Concurrent beneficiary status may occur in several ways:

- Beneficiaries who receive monthly Social Security disability benefits that are less than the current Federal Benefit Rate (FBR) may become eligible for an SSI benefit that supplements their Title II cash payments, provided they meet all other SSI eligibility criteria. The SSI program views the Title II benefit as unearned income. The \$20 General Income Exclusion (GIE) reduces the gross unearned income (Title II payment), and

Social Security subtracts the remaining balance from the individual's applicable FBR to determine the reduced SSI cash payment.

- SSI recipients who work and earn less than the Substantial Gainful Activity (SGA) guideline can establish "insured status" and eventually become eligible for Social Security Disability Insurance (SSDI). If the countable SSDI benefit is more than the current FBR, the person's SSI will stop, but if the benefit is below the SSI FBR plus the \$20 General Income Exclusion (GIE), the person will get reduced SSI benefits and become a concurrent beneficiary.
- An SSI recipient may become a concurrent beneficiary when a parent retires and collects Social Security, dies, or becomes entitled to Social Security disability benefits. These events could cause the SSI-eligible individual to establish entitlement for Childhood Disability Benefits (CDB). If that occurs, Social Security first makes the CDB payment and provides a reduced SSI if the countable CDB payment is less than the applicable FBR and the beneficiary meets all other SSI eligibility criteria.
- An SSI recipient over the age of 50 may become a concurrent beneficiary if a current or former spouse dies and the individual establishes eligibility for Disabled Widow(er)s benefits (DWB). The SSI cash payment will be reduced by the countable portion of that monthly benefit.
- If an individual receives a Title II disability benefit, and then becomes entitled to SSI through use of a Plan to Achieve Self-Support (PASS), that individual also becomes a concurrent beneficiary.

Keep in mind that SSI is the payer of last resort. If an individual is eligible for any other Social Security benefit, Social Security must provide that benefit first, before considering SSI. If the amount of the Title II payment is low enough, a beneficiary may receive a reduced SSI payment as long as the individual meets all other SSI eligibility criteria. SSI recipients or applicants cannot refuse a Title II benefit for which they are eligible in order to receive increased SSI payments.

## **Work and Concurrent Beneficiaries**

Social Security treats earned income for concurrent beneficiaries in the same way as other SSI recipients or Title II disability beneficiaries. There are no special work incentive rules for concurrent beneficiaries; the only difference is that concurrent beneficiaries have two different forms of disability benefits and earned income affects each benefit differently. An added complication is that the Title II benefit counts as unearned income for SSI, so changes in the Title II benefit will affect the SSI cash payment. The other thing to keep in mind is that most concurrent beneficiaries are also dually entitled to Medicaid and Medicare. The work incentives for these healthcare programs are the same for concurrent beneficiaries as they are for SSI recipients and Title II disability beneficiaries, but things can get complicated since concurrent beneficiaries often are enrolled in a Medicare Savings Program and may get help from the Low-Income Subsidy (LIS) to pay for the costs of Medicare Part D. Community Work Incentives Coordinators (CWICs) have lots of different benefits to consider with concurrent beneficiaries who go to work. Let's take a look at how all of this works.

## **Work and Cash Payments for Concurrent Beneficiaries**

When a concurrent beneficiary starts working, typically the first thing that happens is either a reduction in or loss of the SSI cash payment. This is due to the earned income, in combination with the unearned income (the Title II benefit payment), causing the person to lose entitlement to SSI cash payments. You learned about the SSI Calculation Sheet, how Social Security determines countable income, and how countable income reduces the SSI cash payment in Chapter 3. Concurrent beneficiaries already have reduced SSI cash payments before they go to work because Social Security counts the Title II cash payment as unearned income. Some concurrent beneficiaries have small SSI cash payments and it may not take much earned income to cause total countable income to make the person ineligible for SSI payments. Losing SSI cash payments due to earned income does not mean the person becomes ineligible for SSI. As long as an individual



meets the requirements for 1619(b) Medicaid While Working, they will still be considered SSI eligible, simply not due a payment.

Now let's look at the Title II disability benefit. Let's assume the beneficiary has not worked since he or she became entitled to benefits. If the beneficiary has earnings under the current Trial Work Period (TWP) amount, they will not use any work incentives and benefits will continue unchanged. If the beneficiary has earnings over the TWP amount, but under the SGA guideline, they will use TWP months, but benefits will continue unchanged. If the beneficiary has countable earnings over the current Substantial Gainful Activity (SGA) guideline on an ongoing basis, they will use their TWP and Social Security will eventually cease the Title II cash payment. While the beneficiary remains in the Extended Period of Eligibility (EPE), Social Security will not terminate Title II benefits but will suspend them due to countable earned income over SGA. If the beneficiary continues to work above the SGA level work after the EPE, Social Security will eventually terminate the beneficiary from Title II disability benefits. Remember in the Title II disability program, benefits are not reduced by earned income. Beneficiaries either get their full benefit amount or no benefit at all.

For concurrent beneficiaries, if the Title II benefit stops due to SGA, SSI cash payments may resume or increase as long as total countable income is below the person's highest SSI payment and the individual has maintained eligibility for 1619(b) or is in the 12-month suspension period. In many cases, the loss of the Title II payment means the countable income will now be low enough that a cash SSI payment is due. This interaction between SSI and the Title II disability benefits for working concurrent beneficiaries may seem confusing, but during initial training, your instructors will walk you through some examples and teach you how this works.

All of the special work incentives that apply in the SSI program and the Title II disability program also apply for concurrent beneficiaries with no differences. For individuals who have Impairment Related Work Expenses (IRWEs), the same expenses may be used to reduce countable earned income for both benefits at the same time. For example, an individual who had IRWEs of \$100 each month would apply this expense to reduce countable earnings and keep more of the SSI cash payment. If the beneficiary had gross wages above the SGA

guideline, they could apply that same \$100 of IRWEs to reduce how much earned income counted during an SGA determination.

The only exception to this is for beneficiaries who meet Social Security's blindness definition. In that case, the Social Security can deduct the amount of the IRWE as an IRWE for Title II, but Social Security will deduct that same expense as a Blind Work Expense (BWE) for SSI. BWE does not exist in the Title II program.

Keep in mind that concurrent beneficiaries often are strong candidates for a Plan to Achieve Self-Support (PASS) since the Title II payment is a form of unearned income that can be used right away to fund the PASS. CWICs should explore PASS potential with all concurrent beneficiaries to ensure they do not overlook this possibility.

## **Work and Healthcare Benefits for Concurrent Beneficiaries**

In most cases, as long as a concurrent beneficiary retains a small SSI payment, Medicaid eligibility will continue. If the SSI cash payment stops due to earnings, the beneficiary will move into 1619(b) Medicaid status – assuming they meet all five eligibility requirements for this provision. Social Security still considers the individual an SSI recipient while in 1619(b) status, even though the individual receives no cash payment. As long as an individual remains eligible for 1619(b), they have the ability to move back into SSI cash benefit status without filing an application if countable income drops below that person's maximum potential SSI payment. The individual also will retain access to the 12-month suspension period protection in case they lose SSI eligibility for reasons other than earned income (e.g. excess unearned income or resources).

With regard to Medicare, as long as the beneficiary remains eligible for a Title II disability benefit, Medicare will continue unchanged. If the beneficiary completes their TWP, engages in SGA, and eventually terminates from Title II benefits, Medicare may continue for at least 93 months after the end of the TWP due to the Extended Period of Medicare Coverage (EPMC) provision.

## Work and Medicare Savings Programs (MSPs)

In Chapter 2, we discussed how the Medicare Savings Programs (MSPs) help Medicare beneficiaries cover some or all of the out-of-pocket costs associated with Medicare, including premiums, co-payments and deductibles. There are four different Medicare Savings programs:

- Qualified Medicare Beneficiaries (QMB),
- Special Low-Income Medicare Beneficiaries (SLMB),
- Qualified Individuals (QI), and
- Qualified Disabled Working Individuals (QDWI).

Concurrent beneficiaries often are enrolled in an MSP because they have income and resources low enough to qualify for a partial SSI benefit. Because MSPs are all financial needs-based programs, when a person begins working, their eligibility could change from one level to another, or end altogether. In some states, as long as a beneficiary retains Medicaid eligibility, the state will continue to pay the Medicare Part B premium, but this does not happen in all states. To evaluate the effect of work on MSPs, you should take the following steps:

1. Get to know the MSP rules for the states within your service area. Some states have chosen to set higher income and/or resource levels than the minimum levels required by federal law.
2. If the beneficiary lives in a state that continues to pay Part B premiums as long as they retain SSI-related or 1619(b) Medicaid eligibility, check to make sure they will meet the requirements for SSI-related Medicaid or 1619(b) Medicaid While Working. If so, no further steps will be necessary. If the beneficiary does not live in a state that provides this benefit, or if the beneficiary would not qualify for 1619(b), move to the next step.
3. Calculate total countable income. To do this, CWICs use a special MSP calculation sheet that is very similar to the SSI Calculation Sheet. The MSPs use the same income methodology as the SSI program, so all of the income deductions and exclusions that apply in the SSI program also apply to income when the state Medicaid agency is determining

eligibility for an MSP. You will find a copy of **MSP Calculation Sheet** on the NTDC website (<https://vcu-ntdc.org/resources/viewContent.cfm?contentID=184>).

4. Compare total countable income to the MSP income levels in your state. These are percentages of the current Federal Poverty Level (FPL) used in most states.
  - **QMB:** 100% FPL
  - **SLMB:** 120% FPL
  - **QI:** 135% FPL
  - **QDWI:** 200% FPL
5. Identify if the beneficiary will remain in the same coverage level, move to a lower coverage level (QMB to SLMB or QMB to QI), or lose eligibility for MSPs altogether.

Determining countable income for the MSPs is nearly identical to the process Social Security uses in the SSI program. The main difference is that with the MSPs, the countable income is not compared to the FBR, but to the appropriate percentage of the current FPL. You will have an opportunity to practice using the MSP Calculation Sheet during initial training.

## **Medicare Part D Low-income Subsidy (LIS) and Earnings**

As you recall from Chapter 2, there is another special program that helps Medicare beneficiaries cover the costs of the Part D prescription drug program called the Low-income Subsidy (LIS) or Extra Help. Like the MSPs, the LIS is a means-tested program, so beneficiaries who go to work could earn enough to lose eligibility entirely.

An important thing to remember about the LIS is that some people are “deemed” eligible for the program without requiring Social Security to evaluate income or resources. The following groups are deemed LIS eligible:

- Medicaid enrollees;
- SSI recipients; and

- Individuals enrolled in certain MSPs (QMB, SLMB, or QI).

The good news is that most concurrent beneficiaries are deemed eligible for LIS and remain eligible after they work because they remain in a deemed eligible group. As long as a working concurrent beneficiary would still be eligible for an SSI payment, qualify for Medicaid (including 1619(b) coverage) or remain eligible for certain MSPs (QMB, SLMB, or QI), they will continue to get LIS benefits. There is no need to calculate countable income for someone who is deemed eligible for LIS.

Individuals who are eligible for LIS (but not deemed eligible) must continue to meet the income and resource requirements to remain eligible for LIS. Depending on how much countable income a person has after they start working, they could lose eligibility for the LIS. You will find an **LIS Calculation Sheet** on the NTDC website (<https://vcu-ntdc.org/resources/viewContent.cfm?contentID=185>).

Do not worry if the LIS calculations seem complicated. You will have an opportunity to practice using the LIS Calculation Sheet during Initial Training. Remember – most concurrent beneficiaries will remain deemed eligible for extra help even after they begin working. You will not need to perform countable income calculations for these individuals.

## **Reporting Income and Resource Changes and LIS Redeterminations for Those Not Deemed Eligible**

To determine LIS eligibility for those not deemed eligible, Social Security considers all of the countable income the individual and living-with spouse receive (or expect to receive) for a period of 12 months. Although Social Security computes LIS eligibility based on income projected for 12 months, the computation is not linked to a particular calendar year. The LIS determination system uses the 12-month projection of income because Social Security issues the FPL income limits as annual income limits. At the point when an individual applies for LIS, Social Security compares the 12-month projection to the current year's FPL income limit. If the individual's projected income is under the limit, he or she will continue to be eligible for LIS until Social Security processes a redetermination or a subsidy-changing event.

This sounds confusing, so let's look at an example. Let's say Ms. Smith files for LIS in August. The LIS determination system uses the income reported on her application in August and projects it for 12 months starting from the subsidy computation month without regard to the expected increase in her income due to the January Cost of Living Adjustment (COLA), or the expected increase in the FPL limits due to the annual FPL update (usually in February). The LIS determination system needs this type of computation because the individual's income for next January and next year's FPL amount aren't available in August when Social Security is processing the claim.

Social Security makes LIS determinations for a calendar year and will not change them during the year unless the individual:

- Appeals the determination;
- Reports a subsidy-changing event; or
- Becomes eligible for SSI, Medicaid, or an MSP and is therefore deemed eligible for LIS.

Two types of events can affect the LIS determination:

- Subsidy Changing Events, which are effective the month after the month of report, and
- Other Events, which are events that may change the LIS determination, but do not become effective until the January following the report (or later in some cases).

There are six Subsidy Changing Events that will result in the re-determination of LIS eligibility for the beneficiary. These changes become effective the month after the month the beneficiary reports them:

1. Beneficiary marries
2. Beneficiary and living-with spouse divorce
3. Beneficiary's living-with spouse dies
4. Beneficiary and living-with spouse separate
5. Beneficiary and living-with spouse annul marriage
6. Beneficiary and previously separated spouse resume living together

Events other than the six Subsidy Changing Events listed above may affect a beneficiary's LIS eligibility, but any changes resulting from the report of an "Other Event" are generally effective the following January. Typically, "other events" include changes in income and resources such as getting a job, becoming eligible for unemployment insurance, receiving a large insurance settlement or inheritance, etc. Social Security does not require LIS beneficiaries to report changes as they occur. **There are NO mandatory reporting rules in the LIS program.**

There are some differences in eligibility changes for those deemed eligible for LIS. For an individual deemed eligible between January 1 and June 30 of a calendar year, the individual is deemed eligible for LIS for the remainder of the calendar year, regardless of changes in his or her situation. For an individual deemed eligible between July 1 and December 31 of a calendar year, the individual is deemed eligible for the remainder of the calendar year and the following calendar year.

For more information about the **Part D LIS, refer to POMS HI 03001.005 Medicare Part D Extra Help (Low-Income Subsidy or LIS)** (<https://secure.ssa.gov/apps10/poms.nsf/lnx/0603001005>). You can also refer to a detailed resource document **Medicare Part D and the Low-Income Subsidy** found on the NTDC website (<https://vcu-ntdc.org/resources/viewContent.cfm?contentID=132>).

## Next Steps

Providing WIPA services to concurrent beneficiaries can be complicated since they receive two very different types of disability benefits, both Medicaid and Medicare, and in many cases, help with Medicare out-of-pocket costs from Medicaid or an MSP and the LIS. In some cases, concurrent beneficiaries have additional complicating factors such as being married, or having children who also receive some form of benefit that paid employment might affect. During initial training, you will work through a case study and get some practice determining the effect of work on a concurrent beneficiary. You will still need to get additional training and technical assistance to develop the competence you need to provide comprehensive WIPA services to this population. Here are some steps you can take:

- You can begin by reading a resource document on the NTDC website entitled **Concurrent Beneficiary Issues and Considerations** (<https://vcu-ntdc.org/resources/viewContent.cfm?contentID=76>). This will provide you with a good overview of the work incentives counseling issues specific to this group of beneficiaries and provides tips for working with this group.
- Understanding the effect of work on the MSPs and the LIS is one of the most complex aspects of working with disability beneficiaries – especially concurrent beneficiaries. You will find several **archived supplemental training sessions** about these areas on the NTDC website (<https://vcu-ntdc.org/training/supplemental/archives.cfm>). We have already referenced **several resource documents** that cover these provisions that you can find on the NTDC website ([https://vcu-ntdc.org/resources/resourceDetail\\_search.cfm?id=5](https://vcu-ntdc.org/resources/resourceDetail_search.cfm?id=5))
- Make sure you contact your assigned NTDC Technical Assistance Liaison the first time you have a referral for a concurrent beneficiary. You probably are going to need some help to figure out all of the information you need to gather and verify since concurrent cases can be so complex. Before you provide individualized counseling, you may also need your TA Liaison to review the information you gathered to make sure you have not overlooked anything. It's important to do this BEFORE you submit a concurrent case for review during Part II of the certification process.
- The multi-step concurrent beneficiary exercise you will complete during initial training will provide you with a lot of valuable information. Be sure to keep all of the material you used during initial training so you can refer to it when you have an actual concurrent case.