

## SB 20 STAFF MEASURE SUMMARY

### Senate Committee On Human Services

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**Action Date:** 04/01/25

**Action:** Do pass and refer to Ways and Means by prior reference.

**Vote:** 3-2-0-0

**Yeas:** 3 - Gelser Blouin, Prozanski, Reynolds

**Nays:** 2 - Linthicum, Nash

**Fiscal:** Fiscal impact issued

**Revenue:** No revenue impact

**Prepared By:** Matthew Perreault, LPRO Analyst

**Meeting Dates:** 2/18, 4/1

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#### WHAT THE MEASURE DOES:

The measure requires the Department of Human Services (ODHS) to provide medical assistance to employed individuals with medically improved disabilities regardless of their income or resources.

#### Detailed Summary:

- Requires ODHS to administer a program to provide medical assistance to employed individuals with medically improved disabilities as described in 42 U.S.C. 1396a(a)(10)(A)(ii)(XVI).
- Prohibits ODHS from considering an individual's income or resources when determining eligibility for medical assistance under the program.
- Authorizes ODHS to set an age limit for eligibility as allowed by federal law.
- Authorizes ODHS to require premium payments or other cost-sharing mechanisms that consider individuals' income in order to administer the program within available funds.
- Requires ODHS to coordinate benefits under the program with those available under an individual's employer-sponsored health insurance plan.
- Requires ODHS to seek federal approval to exclude earnings in a separate account from consideration of eligibility for medical assistance while individuals participate in the program.
- Requires ODHS to take necessary actions to begin program operations by July 1, 2027.
- Declares emergency, effective on passage.

#### ISSUES DISCUSSED:

- Ability of individuals enrolled in the Employed Persons with Disabilities program to pursue advanced employment
- Effect of disregarding an individual's income or resources

#### EFFECT OF AMENDMENT:

No amendment.

#### BACKGROUND:

Individuals who receive benefits from Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) due to a qualifying disability are also able to receive medical coverage through Medicaid. These federal programs require that individuals' income and assets remain under certain limits, and earning income from employment above those limits may result in a loss of benefits. A person's disability that is "medically improved," thus enabling them to return to work, may also result in a loss of benefits.

Under the [Social Security Act](#), states have the option to extend Medicaid eligibility to employed individuals with medically improved disabilities (42 U.S.C. 1396a(a)(10)(A)(ii)(XVI)). [Medicaid "buy-in" program options](#) allow states to charge premiums to Medicaid enrollees with disabilities whose employment income would otherwise

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render them ineligible to continue receiving Medicaid coverage. In Oregon, the [Employed Persons with Disabilities program](#) administered by the Oregon Department of Human Services (ODHS) provides Medicaid coverage, including medical coverage and long-term services, for individuals who are employed and have a qualifying disability or mental health condition. Individuals under this program must have less than \$5,000 in assets and earn less than 250 percent of the federal poverty level after certain deductions.

The legislature has previously considered bills that would provide Medicaid eligibility to employed individuals with disabilities regardless of their income or resources, including [Senate Bill 584 A](#) in 2021 and [Senate Bill 576 A](#) in 2023. According to [testimony from ODHS](#) submitted for SB 576 A, recent guidance from the Centers for Medicare and Medicaid Services indicated that states would be allowed to disregard income for Medicaid eligibility for certain categories of enrollees, including employed individuals with disabilities who receive Home and Community Based Services through Medicaid.