

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL DRS45224-NLa-14A

Short Title: Remove Employment Barriers/Ppl w Disabilities. (Public)

Sponsors: Senators Lee and Grafstein (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED
AN ACT TO REMOVE BARRIERS TO EMPLOYMENT FOR PEOPLE WITH
DISABILITIES BY REMOVING THE UNEARNED INCOME LIMIT AND THE
RESOURCE LIMIT FROM THE HEALTH COVERAGE FOR WORKERS WITH
DISABILITIES ACT UNDER THE MEDICAID PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1. No later than 90 days after this act becomes law, the Department of Health and Human Services, Division of Health Benefits, shall submit the necessary documentation to the Centers for Medicare and Medicaid Services (CMS) for approval to remove the unearned income limit and the resource limit from the eligibility requirements for the Health Coverage for Workers with Disabilities Medicaid eligibility category. Upon approval by CMS of the removal of the unearned income and resource limits, the Secretary of the Department of Health and Human Services shall notify the Revisor of Statutes of the effective date approved by CMS for the removal.

SECTION 2.(a) G.S. 108A-66.1 reads as rewritten:

"§ 108A-66.1. Medicaid buy-in for workers with disabilities.

(a) Title. – This section may be cited as the Health Coverage for Workers With Disabilities Act. The Department shall implement a Medicaid buy-in eligibility category as permitted under P.L. 106-170, Ticket to Work and Work Incentives Improvement Act of 1999. The Department shall establish rules, policies, and procedures to implement this act in accordance with this section.

...

(c) Eligibility. – ~~An~~ Except as provided in subsection (c1) of this section, an individual is eligible for HCWD ~~if~~ if all of the following apply:

- (1) The individual is at least 16 years of age and is less than 65 years of ~~age~~ age.
- (2) The individual either meets Social Security Disability ~~criteria~~ criteria or the individual has been enrolled in HCWD and then becomes medically ~~improved~~ improved, as defined in Ticket to Work and as further specified by the Department. An individual shall be determined to be eligible under this section without regard to the individual's ability to engage in, or actual engagement in, substantial gainful activity as defined in section 223 of the Social Security Act (42 U.S.C. § 423(d)(4)). In conducting annual redetermination of eligibility, the Department may not determine that an individual participating in HCWD is no longer disabled based solely on the individual's participation in employment or earned ~~income~~ income.



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(3) ~~The individual's unearned income does not exceed one hundred fifty percent (150%) of FPG, and countable resources for the individual do not exceed the resource limit for the minimum community spouse resource standard under 42 U.S.C. § 1396r, and as further determined by the Department. In determining an individual's countable income and resources, the Department may not consider income or resources that are disregarded under the State Medical Assistance Plan's financial methodology, including the sixty-five dollar (\$65.00) disregard, impairment-related work expenses, student earned income exclusions, and other SSI program work incentive income disregards; and~~

(4) The individual is engaged in a substantial and reasonable work effort (employed) effort, as provided in this subdivision and subdivision, as further defined by the Department Department, and as allowable under federal law. For purposes of this subsection, "engaged in substantial and reasonable work effort" means all of the following:

- a. Working in a competitive, inclusive work setting, or self-employed.
- b. Earning at least the applicable minimum wage.
- c. Having monthly earnings above the SSI basic sixty-five-dollar (\$65.00) earned-income disregard.
- d. Being able to provide evidence of paying applicable Medicare, Social Security, and State and federal income taxes.

(c1) Additional Earnings Requirements. – The Department may impose additional earnings requirements in defining "engaged in substantial and reasonable work effort" for individuals who are eligible for HCWD based on medical improvement.

(c2) Involuntary Unemployment. – Individuals who participate in HCWD but thereafter become unemployed for involuntary reasons, including health reasons, shall have continued eligibility in HCWD for up to 12 months from the time of involuntary unemployment, so long as the individual (i) maintains a connection with the workforce, as determined by the Department, (ii) meets all other eligibility criteria for HCWD during the period, and (iii) pays applicable fees, premiums, and co-payments.

(d) Fees, Premiums, and Co-Payments. – Individuals who participate in HCWD and have countable income greater than one hundred fifty percent (150%) of FPG shall pay an annual enrollment fee of fifty dollars (\$50.00) to their county department of social services. Individuals who participate in HCWD and have countable income greater than or equal to two hundred percent (200%) of FPG shall pay a monthly premium in addition to the annual fee. The Department shall set a sliding scale for premiums, which is consistent with applicable federal law. An individual with countable income equal to or greater than four hundred fifty percent (450%) of FPG shall pay not less than one hundred percent (100%) of the cost of the premium, as determined by the Department. The premium shall be based on the experience of all individuals participating in the Medical Assistance Program. Individuals who participate in HCWD are subject to co-payments equal to those required under the Medical Assistance Program.

(e) Countable Income. – In determining an individual's countable income, the Department may not consider income that is disregarded under the State Medical Assistance Plan's financial methodology, including the sixty-five dollar (\$65.00) disregard, impairment-related work expenses, student earned-income exclusions, and other SSI program work incentive income disregards."

SECTION 2.(b) This section is effective on the date approved by the Centers for Medicare and Medicaid Services for the removal of the unearned income and resource limits for Health Coverage for Workers with Disabilities program eligibility, as required by Section 1 of this act.

1 **SECTION 3.** Effective July 1, 2025, there is appropriated from the General Fund to
2 the Department of Health and Human Services, Division of Health Benefits, the sum of one
3 hundred sixty-five thousand dollars (\$165,000) in recurring funds for each year of the 2025-2027
4 fiscal biennium. These funds shall provide a State match for three hundred one thousand dollars
5 (\$301,000) in recurring federal funds for each year of the 2025-2027 fiscal biennium, and those
6 federal funds are appropriated to the Division of Health Benefits.

7 **SECTION 4.** Except as otherwise provided, this act is effective when it becomes
8 law.