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NEWS RELEASE

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Whitman Signs Legislation Expanding Medicaid Eligibility for the Disabled

Governor Christie Whitman today signed legislation that will enable low and moderate income people with disabilities to return to work or enter the workplace without fear of losing their Medicaid benefits.

A-2606, sponsored by Assembly Members Carol Murphy (R-Essex/Morris/ Passaic) and Francis Blee (R-Atlantic) and Senators Robert Singer (R-Burlington/Monmouth/Ocean) and Peter Inverso (R-Mercer/Middlesex), implements the federal "Ticket to Work" program which allows people with disabilities to earn up to 250 percent of the federal poverty level yet still retain Medicaid health coverage. Previously, people with disabilities lost Medicaid eligibility if their income exceeded 100 percent of the poverty level.

"For too long, many people with disabilities faced a Hobson's choice: forget about working or forget about health coverage," said Whitman. "Taking a job that pays above the federal poverty level has meant forfeiting Medicaid eligibility, and many have found it impossible to obtain private coverage."

"That's not right. As I said in my budget speech back in January, we shouldn't penalize someone who wants to work and take a step toward financial independence," the Governor continued.

Two hundred and fifty percent of the federal poverty limit is an annual income of \$20,875 for an individual and \$28,125 for a couple, however some people with income levels greater than those may qualify.

Under federal regulations, half of an individual's earnings are disregarded in the determination of eligibility for Ticket to Work, although all benefits an individual receives, such as Social Security income, are considered. So an individual with an annual income up to \$41,750 and a family of two up to \$56,250 could qualify if all income comes from salary. The cost of coverage will be determined on a sliding income scale established by the Commissioner of Human Services.

The budget proposal allocates \$750,000 in state funds -- plus \$750,000 in federal funds -- in Fiscal Year 2001. The funding is expected to double in Fiscal Year 2002.

Medicaid is a state and federally funded health care program that serves about 670,000 low-income, aged and disabled New Jersey residents.

