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[www.ctbar.org](http://www.ctbar.org)

**Testimony from the CT Bar Association  
Disability Law Section**

**in SUPPORT of**

**SB279, An Act Waiving Asset Limits For Working Persons with Disabilities  
To Receive Medical Assistance**

On behalf of the Connecticut Bar Association, Disability Law Section, **We support SB 279.** This bill provides incentives for working persons with disabilities to retain assets and still remain eligible for Medicaid. By removing the current asset limits of \$10,000 for a single person and \$15,000 for a couple, Connecticut can promote self-determination and self-sufficiency.

The purpose of Substitute Senate Bill No. 279 (File No. 317) is to remove the asset limit from the Medicaid eligibility requirements for the “working disabled”. The existing legislation (C.G.S. § 17b-597) deals with “Working persons with disabilities program. Eligibility Regulations”. To be eligible under this program the person must “be engaged in a substantial and reasonable work effort ... and have an annual adjusted gross income ... of no more than seventy-five thousand dollars per year; (2) a disregard of all countable income up to two hundred per cent of the federal poverty level; (3) *for an unmarried person, an asset limit of ten thousand dollars, and for a married couple, an asset limit of fifteen thousand dollars;* (4) a disregard of any retirement and medical savings accounts established pursuant to 26 USC 220 and held by either the person or the person’s spouse; (5) a disregard of any moneys in accounts designated by the person or the person’s spouse for the purpose of purchasing goods or services that will increase the employability of such person, subject to approval by the commissioner; (6) a disregard of spousal income solely for purposes of determination of eligibility; and (7) a contribution of any countable income of the person or the person’s spouse which exceeds two hundred per cent of the federal poverty level, as adjusted for the appropriate family size, equal to ten per cent of the excess minus any premiums paid from income for health insurance by any family member ...”

Substitute Senate Bill No. 279 (File No. 317) removes the italicized “(3)” above.

The harsh realities facing “the working poor” are well known. They are particularly acute for the disabled working poor. Substitute Senate Bill No. 279 (File No. 317) seeks to address one particular problem.



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Job insecurity is a constant threat for the disabled working poor, most if not all of whom are living “paycheck to paycheck.” The possibility of termination from employment due to the employee’s disabilities or from lay-off, employer relocation or a cessation of operations by the disabled employee’s employer is very real. The employed disabled population is particularly vulnerable to termination/lay off – and it knows it.

It is entirely possible that a disabled person separated from employment will be able to survive on unemployment compensation benefits for a period of time, but this is a population far less likely to be employed speedily after a termination. When a disabled employee is made jobless, he or she is likely to remain jobless for an extended period of time. Should he or she apply for Disability Insurance Benefits under Title II of the Social Security Act, adjudication times are often numbered in years, not months.

Given the reality of long-term unemployment in the event of joblessness, it makes perfect sense for the disabled worker to establish a “financial nest egg” to be used to defray living expenses in the event of separation from employment. Under current law, if that “nest-egg” is greater than \$10,000 (\$15,000 for a married couple) Medicaid benefits are no longer available. This makes it impossible for the disabled worker to establish anything approaching a reasonable financial reserve without losing Medicaid health coverage.

The disabled employee at present faces a Hobson’s Choice: “Go naked” in terms of preparing for the ever-present possibility of unemployment, or saving more than \$10,000 (\$15,00 for a couple) to prepare for that eventuality outside of a retirement account and losing Medicaid benefits as a result. The proposed legislation removes that Hobson’s Choice.

Thank you for your SUPPORT.