Understanding Benefit Structures, Employment Impacts, and New Federal Changes

Saturday, February 28, 2026 | 9-11 a.m.

Presented by:
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Navigating the Maze of Government Benefits

Types of Benefits

- Entitlement Benefits
- Needs Based Benefits
- Sliding Scale Fee Benefits

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Entitlement Benefits

- Social Security Disability Income (SSDI)
- Requires contributions to Social Security (SSA) – quarters of employment
- Childhood Disability Benefits (CDB) – parent's contributions to SSA, also known as Disabled Adult Child (DAC) Benefits

Entitlement Benefits *(continued)*

- Disabled Adult Child (DAC) 'piggyback' on parent's work record:
  - Parent must have become disabled, retired, or died
  - DAC must be disabled prior to age 22
  - Continuously incapable of earning substantial gainful activity
  - Single (or married to another DAC)
  - No deeming of assets or resources (not needs based)
  - After 2 years of receiving SSDI, eligible for Medicare (*Note*: MassHealth will pay premium for Part B)
  - SSDI is not affected by distributions from special needs trust
  - Trap for the unwary as MassHealth/Medicaid waiver benefits may be affected by distributions from special needs trust

Needs Based or Welfare Benefits

- Supplemental Security Income (SSI)
  - Income and asset deeming
  - Less than $2,000 in assets
  - Incapable of earning more than $1,690 in income; $2,830 for persons who are blind as of 1/1/26
- Receipt of at least $1. per month of SSI, qualifies individual for MassHealth without a separate application
- SSI, MassHealth and Medicaid waiver programs may also be impacted by distributions from special needs trust

How SSI Deems Income

Income is deemed as:

1. Earned income
2. Unearned income
3. In-kind income and support (ISM)

- Cash distributions will reduce SSI payments
- Distributions for food or shelter will reduce SSI by one-third

(See section on ABLE Account for how to avoid the one-third loss for ISM)

MassHealth – TICKET to Services

MA offers several MassHealth programs with varying eligibility requirements

- Standard Medicaid
- Medicaid Waiver
- CommonHealth

Sliding Scale Fee Benefits

- SNAP (food stamps), Section 8, CommonHealth, Commonwealth Choice, Fuel Assistance, Medicaid Expansion under Affordable Care Act
- Distributions from special needs trust may affect continued eligibility

ABLE Act

- SSI eligibility suspended at $100,000
- MassHealth/Medicaid eligibility lost at 529 limit of $500,000 in MA
- One account per person
- Disability prior to age 46 (as of 1/1/2026)
- Annual contribution limit of $20,000 per year (as of 1/1/23) plus up to $15,650 from one's earnings
- No tax deduction – even for the individual as in IRA's
- Distributions limited to qualified disability expenses such as housing, transportation, employment training or supports, health, prevention and wellness, administrative and financial services, legal fees, funeral/burial expenses

Eligible Individual

- For those under 19, you must establish that you were either blind or disabled under the Social Security Act definitions; or under a new Disability criteria set forth in the Act.
- For those older than 19 , you must establish that you were either blind or disabled under the Social Security Act and establish such blindness or disability occurred before age 46.
- Such individual may only have one ABLE Act account with a total maximum of $20,000 gifted per year (as of 1/1/26).

Medicaid Payback

Just like a first- party or Medicaid payback trust under 42 U.S.C 1396p(d)(4)(A), ABLE accounts must require repayment to the federal and state government from any funds remaining in the account on the death of the beneficiary for cost of the benefits received after the ABLE account was created.

Current Status of ABLE in Massachusetts

- MA ABLE/ THE AFFORDABLE SAVINGS PLAN
- Managed by the MA Educational Financing Authority
- Funds and distributions managed by Fidelity Investments

Additional Requirements

- Qualified ABLE Program (QAP) must keep separate accounting per person;
- QAP must provide adequate safeguards to prevent excess contributions;
- If more than one account established, only the first account is treated as qualified account;
- Monthly electronic submissions of distributions and account balances to SSA.

Potential Uses of ABLE Account

- Small amount of money
- Control for competent beneficiaries
- Accumulation of wages over time
- Transfer of UTMA or 529 monies
- Alternative to a spend-down
- Avoid one-third reduction for ISM

Practical Concerns of ABLE Accounts

- Payback requirement
- Only one account
- Potential for over-funding by naïve relatives
- Payments restricted for qualified expenses
- Confusion regarding in-kind support rule
- No protection from:
  - Fraud
  - Undue influence
  - Exploitation
  - Naïve distributions
- Can NOT be used to protect child support

For more information on THE AFFORDABLE SAVINGS PLAN contact:

- www.fidelity.com/able
- www.mefa.org/ways-to-save/mefa-attainable
- info@ablenrc.org (ABLE National Resource Center - email)
- www.ablenrc.org

How Work and Distributions from an SNT Affects SSI, SSDI, and Childhood Disability Benefits (CBD)

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Resources Allowed for SSI

- $2,000 in cash resources
- $100,000 in an ABLE Account
- One motor vehicle
- Furniture and household goods of reasonable value
- A home if the person lives in the home
- Life insurance policies you own with a combined face value of $1,500
- Burial funds of up to $1,500
- Burial plots or spaces for you or your immediate family
- Property you or your spouse use in a trade or business, or on your job if you work for someone else

SSI Income Deeming

Three types of income:

- Earned income
- Unearned income
- In-kind support and maintenance (ISM)

NOTE: SSDI and CDB do not deem unearned income nor ISM

Income Not Deemed

- The first $20 per month of unearned or earned income
- SNAP benefits
- Home Energy Assistance
- Food or shelter from certain non-profit organizations approved by SSA

Earned Income Receives Preferred Treatment by SSI

- First $65 of earned income is not counted
- Impairment Related Work Expenses are allowed as a deduction
- Remaining income is divided in two and subtracted from SSI payment of $996 (2026 maximum amount)

Example of the Effect of Working on SSI With $1,000 of Earned Income

Work Earnings	$1,000.00	
Unearned Set Aside	- 20.00	
Earned Income Set Aside	- 65.00	
Deduct Impairment Related Work Expenses	- $200.00	(e.g. transportation, job coach)
Divide Remaining Countable Income by 2	**$357.50**	(countable earning $715 ÷ 2)
2nd Step: Maximum Monthly SSI	$994.00	
Subtract Countable Earnings	- 357.50	
Adjusted SSI Payment	$ 636.50	
Earned Income	$1,000.00	
Total Monthly Income	**$1,636.50**	

Example of the Effect of Receiving $1,000 Cash Distribution from an SNT

Cash distribution from SNT or any source	$1,000.00
Unearned Income Set Aside	- 20.00
Deduct Set Aside from Cash Distribution	**- $980.00**
2nd Step: Maximum Monthly SSI	$994.00
Subtract deemed cash distribution	- 980.00
Total Amount of SSI	**$14.00**

NOTE: Cash distributions from any source are deleted $1 for $1 from SSI

Example of the Effect of Working on SSDI and CDB

- Earned income $1,000
- Not deemed if under $1,690 SGA ($2,830 for legally blind)
- If earned income is over $1,690, subtract IRWEs if any
- The amount of SSDI varies on earnings and quarters worked
- Individual would receive full SSDI and 100% of earnings (if net* earnings are under SGA)
- If net earnings are over $1,690, SSDI or CDB will be terminated

*(*net earnings = total earnings - IRWEs if any = $1,690 or less)*

When a Disabled Adult Child (DAC) is Eligible for Childhood Disability Benefits (CDB)

A Disabled Adult Child is eligible for CDB if following conditions are met:

- The child meets the definition of 'disabled' per SSA
- The child is single or married to a social security beneficiary
- The child is over 18 and disability began prior to the age of 22
- The parent is entitled to SSDI or Retirement Benefits or is deceased
- In some cases, a child may be eligible for CDB based on the work record of a grandparent or stepparent

Effect of Earning Over SGA on CDB

- If DAC worked and earned over SGA prior to parent's retirement or death, s/he will not qualify as a DAC.
- If DAC did not have earnings over SGA when parents died or retired, and s/he later works and earns more than SGA, s/he will lose DAC Benefits while earnings are above SGA but s/he can requalify as a DAC if s/he later is incapable of earning SGA.

Effect of Receiving CDB on SSI Benefits

If CDB is over $1,690, SSI will cease (subtract unearned income set aside of $20 from CDB)

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Effect of Receiving CDB on Medicaid Benefits

- If the only reason the DAC lost his/her Medicaid is because the parent died, retired or became disabled, s/he will keep Medicaid without a spend down
- In most states the continuation of CDB Medicaid is automatic and in other states you must reapply for Medicaid as a Qualified Medicaid Beneficiary (QMB)

Community-Based Services & Supports

PRESENTED BY
Rosalie Edes, M.S., CAGS

Public Benefits Administered by State Agencies

Three main agencies providing services and supports to most individuals with disabilities:

- MassHealth (*Medicaid*) Services and Supports
  - Mass Health Long Term Services and Supports (*LTSS*)
- Department of Developmental Services (*DDS*)
- Mass Ability (*formerly known as the Massachusetts Rehabilitation Commission*)

Agencies that provide supports for specific conditions

- Department of Mental Health (*DMH*)
- Massachusetts Commission for the Deaf and Hard of Hearing (*MCDHH)*
- Massachusetts Commission for the Blind (*MCB*)
- Executive Office of Aging & Independence (*formerly Executive Office of Elder Services)*

Mass Health's Community-Based Services & Supports

FY25 Data:

- 2 million Mass Health members - 28% of Massachusetts citizens
- Mass Health is the vehicle through which federal Medicaid funding flows to the states
  - Annual Mass Health budget: $20 billion
    - Currently receives a Federal Medical Assistance Percentage (FMAP) reimbursement of $10.2 billion

Mass Health (Medicaid) is the primary funder of most community-based services and other long-term services & supports for individuals with disabilities and elders

Mass Health Community-Based, Long-Term Services & Supports

Person-centered services and supports delivered in the home and community settings funded by Mass Health:

- Adult Day Health with transportation to and from the service site
- Adult Foster/Family Care
- Assisted Living Facilities
- Behavioral Health Services
- Day Habilitation with transportation to and from the service site
- Durable Medical Equipment (DME)
- Group Adult Foster Care
- Home Health Services
- Hospice Services
- Personal Care Attendant (PCA) Program
- Oxygen/Respiratory Therapy Equipment
- Orthotics & Prosthetics
- Therapies: Including physical, occupational, and speech/language

One Care Health Care Plan

- Statewide program; 5 different Health Care Plans
- Combines MassHealth and Medicare Benefits for Eligible Members 21–64 years of age
- Sample of Services:
  - Community –Based Care Coordination
  - Prevention & Wellness Services
  - Medical Care, Prescription Coverage and Medication Management
  - Mental Health and Behavioral Health Services
  - Dental Services
  - Long Term Services & Supports
  - Durable Medical Equipment
  - PT, OT, Speech & Hearing Therapy

DDS, Mass Ability and MCB Services

DDS – Primary Categories of Services/Supports for Adults with ID/DD over the age of 22

- Adult Companion
- Employment Supports
- Community-Based Day Supports
- Individualized Supports
- Family Supports
- Individualized Home Supports
- Shared Living
- 24/7 Group Homes/Community Residences
- Self-Directed Supports

Mass Ability – Primary Services for individuals with disabilities including brain injury that impact ability to be employed or function independently in the community

- Vocational Rehabilitation Services
- Independent Living Services
- Supported Living
- Student & Community Life Career Services
- Traumatic Brain Injury Services
- Acquired Brian Injury Community Based Services

Massachusetts Commission for the Blind – Primary Services

- Vocational Rehabilitation Services
- Independent Living Services
- Social Rehabilitation
- Deaf Blind Extended Supports
- Children's Services 55

Home & Community Based Waivers

- As of FY23, more than 47,000 individuals are enrolled in HCBS waivers
  - Waiver programs are managed by state agencies
  - States must comply with federal HCBS waiver regulations
  - Participants must meet eligibility criteria and specific services are provided based on an assessment of needs
  - Waivers ensure that individuals receive quality community supports that prevent institutionalization
- Participants typically receive both State-plan Medicaid services and the services available through the specific HCBS Waiver in which they are enrolled
- There is a maximum number of participants who can be served by each waiver each year

Home & Community-Based Services Medicaid Waivers

WAIVER	AGENCY	ELIGIBLE POPULATION	MAXIMUM # OF PARTICIPANTS BY 2028
Frail Elder	Executive Office of Aging & Independence (AGE)	Adults with physical disabilities ages 60-64 and adults ages 65 or older who meet a nursing facility level of care	20,000
Adult Supports (AS)	DDS	Adults with intellectual disabilities ages 22 or older who meet an ICF/IID level of care	7,230
Community Living (CL)	DDS		4,066
Intensive Supports (IS)	DDS		11,768
Children's Autism Spectrum Disorder	DDS	Children with Autism Spectrum Disorder (through age 9) who meet an ICF/IID level of care	665
Traumatic Brain Injury (TBI)	MRC	Adults with traumatic brain injury ages 18 or older who meet a hospital or nursing facility level of care	100
Acquired Brain Injury Non-Residential Habilitation (ABI-N)	MRC	Adults with brain injury ages 22 or older who meet a hospital or nursing facility level of care	150
Acquired Brain Injury with Residential Habilitation (ABI-RH)	DDS		911
Moving Forward Plan Community Living (MFP-CL)	MRC	Adults ages 65 or older, and individuals with mental illness or physical disabilities ages 18-64 years who meet a hospital or nursing facility level of care	1,613
Moving Forward Plan Residential Supports (MFP-RS)	DDS		824

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Current Challenges

- Massachusetts and all states are currently challenged to meet the needs of the expanding population and increase capacity
- The impact of the cutbacks and reductions in force during the pandemic are still being felt
- State agencies and private providers are highly cautious and conservative in their current and long-term planning due to a lack of assurances that there will be adequate funding for future expansion and an available workforce to meet the service needs
- There is very little expansion in the system and if it is there, it is for the turning 22 population
- Increases in state budget are primarily cost of living increases – holding this line and not experiencing cuts has been a significant victory and we are grateful to The Arc of Massachusetts and many other advocates for successfully advocating for these funds which have also included substantial investments in the human services workforce with rates that have led to an approximate 20% increase in wages which has assisted in recruitment and retention efforts

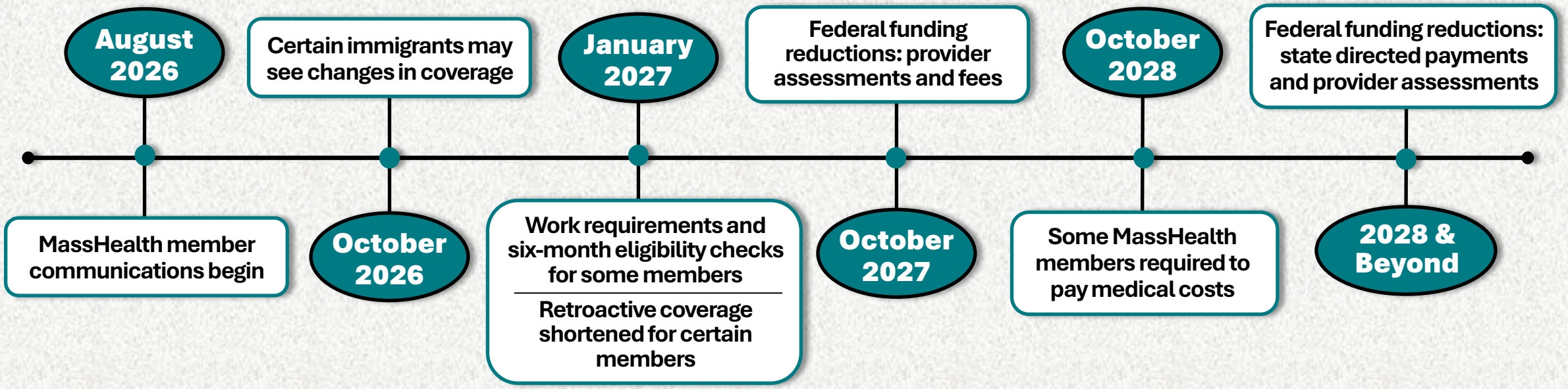
Future Threats to the Stability of the Service System

Medicaid

- Federal Medicaid is the keystone that establishes and funds essential health and disability services and it also sets the standards for disability policy and practice in the states.
- Substantial cuts and changes to Medicaid will disproportionately impact elder services and the disability community.
- Once the planned federal cuts (under the OBBBA) are put into force, *The Commonwealth Fund* estimates that Massachusetts will lose approximately $1.97 billion in federal Medicaid funding by 2029, and other estimates put the total annual cuts as high as $3.5 billion once the provisions are fully implemented.
- Estimates indicate this could total $15-25 billon in cuts over the next decade *and* an estimated 300,000 people will lose access to insurance.
- Not only will many people with disabilities and elders have their eligibility for MassHealth challenged or lose it completely which will leave them without the services that have kept them safe and stable in the community, but as states struggle with the impact of these cuts on state revenue, the downstream effect will severely limit and/or cut some Medicaid LTSS services and pare down access to already established critical state agency services including HCBS.

Timeline for Change

The Medicaid cuts will not go into effect until 2026 or 2027. This gives the federal government time to promulgate regulations and rules and most importantly, it gives states time to advocate for change, assess the impact of these cuts and plan how they will modify their programs and services as necessary.



Future Threats to the Stability of the Service System

Recent Federal Executive Orders have also had a profound effect on current and future services

Workforce Challenges

- Changes to immigration policies, deportations, and the revocation of visas for individuals with Temporary Protected Status (TPS) have already had a severe impact on the human services workforce in all sectors and have increased stress for caregivers who need respite supports.
- Workforce shortages will cause providers to limit program capacity and lead to waiting lists for services, especially for individuals needing intensive supports or 1:1 services.

Severe Reduction in Force at Federal Agencies

- Sweeping cuts to staff at the federal DOE have decimated key offices at Office of Special Education Programs (OSEP), the Rehabilitation Services Administration (RSA), the Office for Civil Rights (OCR), and the Office of Elementary and Secondary Education (OESE).
- Among other funding supports, DOE is responsible for distributing :
  - $15 Billion in special education funding to the states
  - Administering $4 Billion for vocational rehabilitation programs that help job seekers who are Blind or who have disabilities – this is almost 80% of VR funding
- This will impact and limit the current scope of services from Early Intervention, Special Education (the IDEA), through adult supports for Vocational Rehabilitation and Employment to funding of Independent Living Services, Specialized Services for the Blind and oversight and enforcement of Civil Rights protections for individuals with disabilities.

Stay Informed and Give Feedback

- Sign up for the MassHealth Federal Updates and Impact Email List https://www.mass.gov/forms/sign-up-for-the-masshealth-federal-updates-and-impact-email-list
- DDS Website and Facebook Page
- Consider making your individual voice heard and share how current services and these potential changes could impact your beneficiary.
- The Arc of Massachusetts has launched a ***Disability Impact Tracker: Community Check-In Survey -*** https://thearcofmass.org/tracker/

Recommendations

Knowledge is power – act and advocate now!

- Protect the funds in the SNT by making sure that you maximize public benefits and maintain eligibility
- Review the services and supports that your loved one with a disability or the beneficiary of the SNT has and determine if there are additional supports needed that you might be able to get now –
  - Be realistic about needs and cognizant that state-funded services are subject to available funds and resources
  - Decide what services and types of supports are critical to ensuring a meaningful life for the individual and be willing to negotiate on others
- Act now to navigate existing service challenges and negotiate to make them better or investigate new opportunities to ensure the individual has access to high-quality, person-centered community-based care
- Investigate how the SNT or an ABLE account can help to supplement supports and services, so the beneficiary has a meaningful, quality life

Upcoming Webinars

When the School Bus Stops Coming –

Speakers: Michael Lahti, Esq., Mia Lahti, Esq., Theresa Varnet, Esq., and Kelly Akana, Esq.

Wednesday, March 11 | 6:00-8:00 p.m.

Presented by Southeastern Massachusetts Educational Collaborative
In-person at Greater New Bedford Vocational School, or via webinar

Transition Planning – *Speaker: Anne Grenier, Esq.*

Wednesday, March 25 | 6:00-7:30 p.m.

Housing – *Speakers: Fred Misilo, Esq. and Anne Grenier, Esq.*

Late April – Date TBD

For more information visit or website **FletcherTilton.com/webinars/**

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Thank You