



# A Review of Medicare and Disability Programs

People with chronic illness who can no longer work have options for receiving disability payments. Here's how to get them and what to expect.

By Jennifer Kester

Cathy Vargas worked full time as a legal secretary, part time as a real estate agent and, somehow, also found time to be a coordinator for the Special Olympics on the side. But when the 50-year-old was diagnosed with hypogammaglobulinemia, her busy work life came to a halt. Having already exhausted her time off through the Family Medical Leave Act, she was told by her employer that if she got sick again within the next 30 days, she'd be fired. Her place of work offered her an alternative: long-term disability.

Many people with a chronic disease, both young and old, find themselves unable to work and have to turn to disability benefits. According to the Social Security Administration (SSA), more than three million Americans will apply for disability benefits this year. Knowing what to expect can help.

## What Benefits Are Available?

The SSA will deem individuals disabled if they are not working or if they are earning less than \$1,000 a month; if they have a severe condition that hinders basic work-related activities; and if their affliction is on its list of medical conditions. If the medical condition isn't on that list, individuals must prove that the condition interferes with their ability to perform the work they did previously and that they're unable to adjust to other tasks.

If individuals meet the criteria for a disabled person, there are two ways they can receive benefits. Supplemental Security Income (SSI) pays money to disabled adults and children who have limited income and resources. Those 65 and older without disabilities who are in financial need also can qualify for the monthly payments. Social Security Disability Insurance (SSDI)

provides benefits to disabled people who are “insured” through workers’ contributions to the Social Security trust fund. The difference between the two is that SSI is paid based on financial need, and SSDI is paid only to those who worked long enough and paid Social Security taxes.

The formula for payment differs between the two as well. The SSI amount is calculated using the Federal Benefit Rate (for 2010, it’s \$674 for a qualified recipient), and the SSDI figure is based on the worker’s lifetime average earnings covered by Social Security. For SSI, the health insurance coverage provided is Medicaid, while those under SSDI will qualify for Medicare. One last key difference is that many states will give SSI recipients an added state supplement, whereas there aren’t any extras for those receiving SSDI.

### **How to Apply for Benefits**

It can be tricky for individuals to figure out whether they are eligible to receive SSI or SSDI. Some help can be found with Social Security’s Benefit Eligibility Screening Tool at [http://connections.govbenefits.gov/ssa\\_en.portal](http://connections.govbenefits.gov/ssa_en.portal). Based on their answers to the online questionnaire, the tool will explain which benefits they might be eligible to receive, as

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well as how to qualify and apply for them.

When ready to apply for benefits, they will need to complete an application for Social Security benefits and an Adult Disability Report, both of which are available online (<http://www.socialsecurity.gov/applyfordisability/adult.htm>). Also on that site is a comprehensive checklist of the items needed for their application. This includes things like the names, addresses and phone numbers of all doctors and hospitals visited; birth certificate; and a W-2 form from the previous year.

Individuals can apply online for SSDI at <https://secure.ssa.gov/apps6z/iClaim/dib>. If help is needed, they can call Social

Security at (800) 772-1213 to have someone take their application over the phone or to make an appointment for in-person assistance. For SSI, a large portion of the application can be completed at [www.socialsecurity.gov](http://www.socialsecurity.gov). However, it is necessary to call (800) 772-1213 to make an appointment with a Social Security representative for help in person or over the phone.

If professional help is needed to navigate through all of the paperwork, hiring a disability lawyer is a viable option. However, anyone who is familiar with the rules and the system can be an advocate and help with the paperwork. When Vargas had to apply for long-term disability benefits, she wanted to avoid what her sister had gone through. Battling systemic lupus, her sister was caught in the cycle of getting a job, getting sick and then getting fired for taking too much time off to tend to her health. Vargas’ sister applied for disability twice and was denied both times. On her third try, she hired an attorney who helped her win approval. “I didn’t want the trouble she had to go through,” Vargas says. “And, I didn’t want to have to apply for work and get fired. So, I hired an attorney who specializes in Social Security disability law, and he won my case the first time around.”

### **How Benefits Are Approved or Denied**

If individuals meet the basic requirements, the Social Security Administration will send their application to their state’s Disability Determination Services, which determines whether to classify them as disabled. The state agency will review the application and speak with their doctors. But, sometimes, the state agency needs more medical information before it makes its ruling, so it may ask applicants to go for a special examination. While they may be able to go to their own doctors, sometimes the exam will have to be performed by someone else. Social Security will pay for the exam, as well as some of the related travel expenses.

It typically takes the state agency three to five months to come to a decision, depending on the time it takes to access medical records or other needed evidence. If approved, applicants can expect to receive monthly SSI payments of \$674 for an individual and \$1,011 for a couple.

Applicants shouldn’t be discouraged if they’re denied benefits on the first try. The approval rate for initial disability applications is about 37 percent, according to the National Press Office of the Social Security Administration. The decision merely needs to be appealed. If going that route,

hiring a lawyer is especially recommended. "Hearings are like court, so a lawyer's skill and experience will help," says Jennifer Jaff, executive director of Advocacy for Patients with Chronic Illness Inc.

### **What to Expect After Approval**

Once individuals are approved, there is still some bumpy road ahead. For instance, Social Security disability benefits will be paid beginning with the sixth full month after the date disability begins. And, individuals will automatically be enrolled in Medicare after they receive disability benefits for two years, dating from the month they became entitled to receive disability. However, during this waiting period, they will not be entitled to healthcare benefits. According to Jaff, what people do in the interim depends on their circumstances; some have spouses with insurance, and others get Medicaid or purchase COBRA, a costly temporary continuation of health insurance only available to some. However, the sad reality is that a lot of people go without coverage during that time.

During Vargas' two-year waiting period, she purchased COBRA insurance, but after two months, she had to cancel it. "I couldn't make the \$450-a-month premium," she says, "I just couldn't afford it." Instead, the Florence, Ariz., resident turned to the Arizona Health Care Cost Containment System (AHCCCS), the state-run healthcare program for low-income residents.

For others who are facing similar problems of keeping up with healthcare premiums and co-payments, Vargas recommends they check out Patient Services Inc. (PSI) at [www.patientservicesinc.org](http://www.patientservicesinc.org), a charitable organization that helps people with chronic illnesses make these payments. PSI solicits donations to fund thousands of patients and their families every year. And, if high premiums mean having to skip treatments, Vargas suggests individuals appeal to the pharmaceutical company that makes their treatment drugs. This is especially true for patients with chronic illness who rely on immune globulin (IG) treatments. Many IG manufacturers offer patient-assistance programs. Vargas approached her drug company for assistance, and it was ready to help her out, but her insurance kicked in before she needed the company's aid.

Other problems also can crop up. For example, when Vargas did finally receive her Social Security benefits, her long-term disability checks were decreased with no warning, something she says is commonplace in the Arizona state system. Again, she had to hire a lawyer to

help her reinstate her full benefits, and it took six months to get them back. "In order to keep my house and pay my insurance and my attorney, I had to borrow from my children, my parents and my boyfriend," she says. Later, she found out she was eligible for free legal services through the state. So, individuals should be sure to check if their state offers similar complimentary legal aid.

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A problem for those who rely on IG is that Medicare part B covers only 80 percent of the drug cost. Individuals can try to buy a Medigap policy to cover the other 20 percent, but people with pre-existing conditions aren't eligible for Medigap policies in all states. An alternative is to buy a Medicare Advantage plan (HMO) to cover the whole thing, Jaff says.

### **Not Welcome Choices**

SSI and SSDI are not welcome choices for those with chronic illnesses; they are alternatives people turn to for help when working is no longer an option. Unfortunately, patients typically have to deal with a stressful, difficult approval process — one that could leave them bankrupt in the struggle to get their benefits. And, once they do get approval for benefits, they aren't set for life. Most people have to go through the process of again proving they are, indeed, disabled.

"I made it," says Vargas. "I thank God every day, and people like my family and others who were there along the way." As for the future, she's fortunate to have a strong support system that will stick by her because Vargas' lawyer thinks it's likely she'll have to fight for her benefits again in 2015. ■

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