

Aged, Blind and Disabled Manual	Section: Categories of Eligibility
Policy Manual Number: 115.010	Chapter: Disabled Adult Children

DISABLED ADULT CHILDREN

Legal Authority: 42 USC 1383c; Social Security Act 1634(c)

1. Policy Statement

Medicaid benefits are extended to individuals who would be eligible for Supplemental Security Income (SSI) payments but for entitlement to OR increase in the amount of the Disabled Adult Child's (DAC) Social Security benefits. When SSI recipients lose SSI eligibility because of entitlement to or increase in Social Security DAC benefits, they remain eligible for Medicaid as long as they would meet SSI income guidelines but for their initial entitlement to or increase in DAC payments and any other non-Cost of Living Adjustment (COLA) Social Security increase.

This coverage applies to an individual who is:

- a. At least 18 years of age;
- b. Receiving Social Security benefits as a DAC on the basis of blindness or disability which began before age 22;
- c. SSI was terminated after July 1987; and
- d. The individual was at least 18 or older when SSI terminated.

2. Non-Financial Eligibility Requirements

a. Age

This coverage applies to an individual who is at least 18 years of age AND is receiving Social Security benefits as a DAC on the basis of blindness or disability which began before age 22.

b. Citizenship

Individuals must be U.S. citizens, U.S. nationals or eligible non-citizens. Individuals are not required to provide documentary evidence of citizenship or national status if they are entitled to or enrolled in any part of Medicare.

c. Residency

Individuals must be residents of Tennessee.

d. Enumeration

Individuals must possess and provide a valid Social Security Number (SSN) or proof of application for an SSN.

Aged, Blind and Disabled Manual	Section: Categories of Eligibility
Policy Manual Number: 115.010	Chapter: Disabled Adult Children

e. DAC Status

This coverage applies to an individual who is at least 18 years of age AND is receiving Social Security benefits as a DAC. A DAC must be unmarried, age 18 or older, and have a disability that started before age 22. The DAC benefit is considered a “child’s benefit” because the recipient is paid on a parent’s Social Security earnings record. DAC benefits typically begin when the parent begins receiving OASDI or dies.

f. Marital Status

In order to be eligible for Social Security benefits as a DAC, the individual must be unmarried. However, individuals may continue to be DAC eligible if they marry a Social Security beneficiary who is also eligible for DAC benefits, OASDI benefits, or Widow/Widower benefits. Individuals will not continue to be DAC eligible if they marry a Social Security beneficiary under the age of 19 or an individual who is not a Social Security beneficiary.

The SSA will determine whether a married individual remains eligible for the DAC Social Security benefit.

g. SSI Termination Date

Eligible individuals must have had their SSI terminated after July 1987. Individuals must have been age 18 or older when his SSI terminated.

3. Financial Eligibility Requirements

a. Eligibility Determination Group

To receive DAC Social Security benefits, an individual must be unmarried. However, if a DAC beneficiary marries another Social Security beneficiary, with certain limits, her DAC eligibility will continue. See Marital Status above. A DAC eligible couple must both meet all DAC eligibility criteria to qualify as a DAC eligible couple. If the individual’s spouse is ineligible for the Disabled Adult Child category, income may be deemed to the individual. See the *ABD Deeming of Income and Resources* policy.

b. Income Limit

The income limits for this category are the same as the current SSI Federal Benefit Rates (SSI-FBRs).

c. Resource Limit

Resource limits for individuals in this category are \$2,000 for an individual and \$3,000 for a couple.

Aged, Blind and Disabled Manual	Section: Categories of Eligibility
Policy Manual Number: 115.010	Chapter: Disabled Adult Children

4. Budget Overview

a. DAC Increase

i. Initial DAC Entitlement

If the initial entitlement to the DAC benefit caused SSI ineligibility, the entire initial entitlement is disregarded from the applicant's income.

ii. Increase in DAC Benefit

If an increase in the DAC benefit caused SSI ineligibility, the amount of the increase is disregarded from the applicant's income.

iii. Social Security COLA or non-COLA Increase

Any Social Security COLA or non-COLA increases received by the individual after SSI was terminated will be disregarded

b. Budget

Mr. Black is an SSI recipient. While his father works, he receives a monthly SSI payment of \$498. When his father retired and began receiving \$1,000 a month in Social Security, Mr. Black began receiving a DAC payment of \$500 a month. This lowered his SSI monthly benefit to \$218. Mr. Black's father passes away in January 2014, which increases his monthly DAC benefit to \$750 and results in the loss of SSI eligibility. Mr. Black has earned income of \$200 per month and has proof of \$50 in disabled work expenses per month.

Mr. Black's total countable income, \$42.50, is less than the current \$735 SSI-FBR, so he is income eligible in the DAC category.

Income Budget Calculation		
Unearned Income		\$ 750.00
Irregular Unearned Income Disregard	+	\$ 0.00
In-Kind Support and Maintenance	+	\$ 0.00
Ineligible Spouse's Deemed Unearned Income	+	\$ 0.00
Ineligible Parent's Deemed Income	+	\$ 0.00
General Deduction (\$20)	-	\$ 20.00
Child Support Disregard	-	\$ 0.00
Widow/Widower Entitlement Disregard	-	N/A
DAC Entitlement Disregard	-	\$ 750.00
COLA Disregard	-	0.00

Aged, Blind and Disabled Manual	Section: Categories of Eligibility
Policy Manual Number: 115.010	Chapter: Disabled Adult Children

Total Net Unearned Income	=	\$ 0.00
Self-Employment Income		\$ 0.00
Earned Income	+	\$ 200.00
Irregular Earned Income Disregard	-	\$ 0.00
Student Earned Income Exclusion	-	\$ 0.00
Ineligible Spouse's Deemed Earned Income	+	\$ 0.00
Remaining General Deduction	-	\$ 0.00
Earned Income Deduction	-	\$ 65.00
Impairment Related Work Expense	-	\$ 50.00
½ Deduction	-	\$ 42.50
Blind Work Expense	-	\$ 0.00
Total Net Earned Income	=	\$ 42.50
Total Countable Income (Total Net Unearned Income + Total Net Earned Income)	=	\$ 42.50
Qualified Income Trust	-	\$ 0.00
Net Countable Income		\$ 0.00
Income Test Limit		\$ 733.00
Income Test Result		PASS
Patient Liability		\$ 0.00

The above budget is current as of January 2017.

Aged, Blind and Disabled Manual	Section: Categories of Eligibility
Policy Manual Number: 115.010	Chapter: Disabled Adult Children

Document Title	Disabled Adult Children				
First Published	03.11.2015				
Revision History					
Revision Date	Section	Section Title	Page Number(s)	Reason for Revision	Reviser
03.13.2015	1.	Policy Statement	1	Policy Clarification	AK
03.13.2015	3.b.	Income Limit	2 - 3	Policy Clarification	AK
03.13.2015	4.a.i.	Initial DAC Entitlement	3	Policy Clarification	AK
03.13.2015	4.b.5.	Countable Income Computation	4	Policy Clarification	AK
08.27.2015	2.h.	DAC-OASDI Coverage	2	Non-Substantive Change	NF
01.29.2016	2.h.	DAC-OASDI Coverage	2	Non-Substantive Change	SN
01.05.2017	2.h.	DAC-OASDI Coverage	2	Non-Substantive Change	RH
01.05.2017	3.b.	Income Limit	2	Policy Clarification	RH
01.05.2017	4.b.5	Countable Income Computation	4	Policy Clarification	RH
01.05.2017	4.c.6.	Countable Income Computation	6	Policy Clarification	RH
04.02.2018	1.	Policy Statement	1	Policy Clarification	RZ
04.02.2018	2.g.	SSI Termination Date	2	Policy Clarification	RZ
04.02.2018	2.h.	DAC Coverage	2	Non-Substantive Change	RZ
04.02.2018	3.a.	Household	2	Policy Clarification	RZ
04.02.2018	3.b.	Income Limit	2 - 3	Non-Substantive Change	RZ
04.02.2018	4.a.	DAC Entitlement or Increase	3	Policy Clarification	RZ
04.02.2018	4.b.i	Child Support Calculation	4	Policy Clarification	RZ
04.02.2018	4.b.iv.	Total Net Unearned Income Computation	4	Policy Clarification	RZ
04.02.2018	4.c.vi.	Countable Income Computation	6	Non-Substantive Change	RZ
03.18.2019	1.; 2.g.; 3.a.; 4.a.iii.;	Policy Statement; SSI Termination Date; Eligibility Determination Group; Social Security COLA or non-COLA Increase	1-3	Policy Clarification	SN
03.18.2019	3.b.; 4.a.i-ii.; 4.b.	Income Limit; Initial DAC Entitlment; Increase in DAC Benefit; Budget	2-4	Non-Substantive Change	SN