



Medicaid Eligibility for Transition-Age Youth Turning 18 Years Old

Medicaid (also called Medical Assistance) is a complicated program. To be eligible for Medicaid, a person must fit into a Medicaid eligibility category and meet the income and resource limits for that category. Examples of Medicaid categories include children, children with disabilities, adults with disabilities, pregnant women, and older adults.

Before a child turns 18, it is helpful for them and their families to know what category of Medicaid eligibility the child is in. This is important to know because that category may end at the age of 18. To find out what category of Medicaid you are in, call your County Assistance Office (CAO) caseworker or the Department of Human Services' Customer Service Center at 1-877-395-8930. In Philadelphia, call 215-560-7226.

Children and youth generally receive Medicaid coverage in one of three categories:

1. Supplemental Security Income (SSI) or "J" category
2. MAGI (Modified Adjusted Gross Income) or "MG" category; or
3. Disabled child or "PH-95" category

See PHLP's [PH-95 Guide](#) for more information about obtaining Medicaid coverage for a child with a disability. Because PH-95 ends at age 18, children in this category will need to qualify under one of the other Medicaid categories when they turn 18. They can usually qualify in the SSI category, the MAGI category, or the MAWD category. Each category is discussed below.

SSI (Supplemental Security Income) or "J" Category of Medicaid

Children under 18 who receive monthly SSI benefits automatically get Medicaid, regardless of the amount of their SSI benefit. These children receive Medicaid in the "J" category.

Social Security has different disability rules for children and adults. Even someone who was found disabled by social security as a child may not meet the adult criteria. Social

October 2024

*The Pennsylvania Health Law Project (PHLP) is a nonprofit legal services organization.
www.phlp.org ▪ 1-800-274-3258*

Security calls these different standards the "Childhood Listing of Impairments" and the "Adult Listing of Impairments".

What Should Families Do if Their Child is Almost 18 and on Medicaid in the SSI Category?

First, see if the child intends to apply for SSI as an adult at age 18. If so, gather recent medical records, evaluations, assessments, and other supporting documents before the child turns 18. This will help prepare for applying for SSI at age 18. Then, apply as soon as possible once the child turns 18. Social Security does not count parental income in determining financial eligibility for SSI for adults. You can apply for SSI in person at a local Social Security office or online at www.ssa.gov.

When applying for SSI for an 18-year-old receiving Medicaid, be sure to let the CAO know right away that the person is applying for SSI as an adult. The CAO will keep the 18-year old's Medicaid active until Social Security decides whether they qualify for SSI using the Adult Listing of Impairments. If Social Security finds that the 18-year-old qualifies for SSI as an adult, they will let the CAO know. The 18-year-old remains Medicaid eligible in the "J" category. Just as with children, adults who receive a monthly SSI check automatically get Medicaid as long they are receiving SSI.

What if the 18-Year-Old is Found Ineligible for SSI as an Adult?

If the 18-year-old's SSI application is denied, they will no longer be eligible for Medicaid in a "J" category. However, they might be eligible for Medicaid in another category. For instance, they could be eligible for Medicaid in the Modified Adjusted Gross Income (MAGI) category if they meet the income limit for their household size. MAGI Medicaid considers the income of the applicant as well as any parent or guardian who claims that applicant as a tax dependent. Give the CAO with recent pay stubs for everyone in the tax household. The CAO will determine if the 18-year-old is eligible for Medicaid in the MAGI category.

Example: Rachel

Before turning 18, Rachel received SSI and had Medicaid in the SSI or "J" category. Once she turned 18, Rachel applied for SSI as an adult based on her ADHD diagnosis. Social Security found she was not disabled based on the Adult Listing of Impairments. Her SSI application was denied.

Rachel attends community college and lives with her mother, father, and 15-year-old brother. Her parents claim her as a tax dependent. Rachel's parents both work and their total gross earnings are \$3,100 a month. In 2023, the income limit for Medicaid

for a tax household of four people is \$3,450 a month. Since Rachel's household income is under that limit, she is eligible for Medicaid in the MAGI category.

What if the 18-Year-Old Previously on SSI is NOT Medicaid-Eligible Based on Household Size and Income?

If the 18-year-old is working and has a documented health condition, they could get Medicaid in the Medical Assistance for Workers with Disabilities (MAWD) category. This is true even though Social Security determined the 18-year-old was not disabled under their criteria. Applying for and receiving disability through Social Security is not a requirement for MAWD.

To qualify for MAWD, a person needs to show proof of income from employment, even if they only work a few hours per month. They also need to show medical records confirming their health condition(s). Medical documents can come from a treating provider completing a Health Sustaining Medication form. Or, the provider can write a detailed letter describing the individual's condition(s). A person's employment can be a job where they attend a workplace and receive a paycheck, or it can be something more informal. Examples of jobs that count for MAWD include (but are not limited to) cleaning a friend's house, walking a neighbor's dog, or providing childcare. As long as they are doing work and getting paid for it, this is sufficient for MAWD's work requirement. The employer will need to write a letter verifying the work if there are no pay stubs to provide.

Example: Makayla

Makayla was on Medicaid in the SSI category before she turned 18. Her diagnoses are asthma and anxiety. She applies for SSI at 18, but her application is denied because she does not meet the disability standards for Social Security benefits as an adult. Makayla is a part-time college student and provides childcare 10 hours a week for a neighbor's child. She earns \$120 a week from her babysitting job. Makayla is getting treated for her asthma and anxiety by her primary care physician. She lives with her two mothers, who are recently married, and her two younger siblings. Both of her mothers work, and their combined monthly household income is \$5,000. They claim Makayla as a tax dependent, but their household income of \$5,000 is above the 2023 MAGI limit discussed above.

However, Makayla is likely eligible for MAWD. Her doctor needs to complete the Health Sustaining Medication form listing her diagnoses of asthma and anxiety and the medications she takes for each condition. The doctor should also explain that Makayla would be unable to work without her medications to manage her health conditions.

Makayla's neighbor also must write a letter verifying her work. That letter should be signed, dated, and include the neighbor's address and phone number.

The employer's letter and the completed Health Sustaining Medication form should be included in Makayla's MAWD application. She should note on her application that she is applying for MAWD. Makayla cannot have more than \$10,000 in resources to be eligible for MAWD. Resources include things like money in the bank, cash on hand, and more than one vehicle or home.

See PHLP's [MAWD Guide](#) for more information on this category of Medicaid, including the monthly premium required with the MAWD category.

Modified Adjusted Gross Income (MAGI) or “MG” Category of Medicaid

Some children under 18 get Medicaid based on their tax household size and taxable income. This was the case in Rachel's example, above. This is referred to as the Modified Adjusted Gross Income (MAGI) or “MG” category.

Eligibility for Medicaid under the MAGI category falls into three different age groups:

- Children from birth to age 1;
- Children ages 1 to 5; and
- Children ages 6 to 18

The younger the child, the higher the income limit for MAGI Medicaid. Children may continue to get Medicaid in the MAGI category even after they turn 18. As in the example above with Rachel, eligibility for MAGI is based on household size, household income, and the tax filing status of the 18-year-old. An individual is either considered a tax filer, a tax dependent, or a non-filer. Most children living with their parents are tax dependents of their parent(s), but that is not always the case. The MAGI household rules can be confusing if a parent who is not living with the child claims the child as a tax dependent.

The income limits for each MAGI category based on age can be found in the table below:

Child's age	MAGI Income Limit
Birth to Age 1	220% of the Federal Poverty Level
Age 1 through Age 5	162% of the Federal Poverty Level
Age 6 through Age 18	138% of the Federal Poverty Level

What if the 18-Year-Old is Not Eligible for Medicaid in the MAGI Category?

As in Makayla's example above, if the 18-year-old has health conditions and is working, they could get MAWD.

What if the 18-Year-Old is Not Eligible in the SSI, MAGI, or MAWD Categories of Medicaid?

Unless the 18-year-old is pregnant or eligible for a Medicaid Home and Community-Based Services waiver, they are likely not eligible for Medicaid.

However, they could be eligible for the Children's Health Insurance Program (CHIP). CHIP would provide health insurance until they turn 19. CHIP has higher income limits than Medicaid. Children can get free CHIP, low-cost CHIP, or full-cost CHIP, depending on their household income and size. See the PA Department of Human Services' website for more on qualifying for CHIP.

*This project is funded by the Pennsylvania
Developmental Disabilities Council.*

The Pennsylvania Developmental Disabilities Council is supported by the Administration for Community Living (ACL), U.S. Department of Health and Human Services (HHS) as part of a financial assistance award totaling \$3,095,416.00 with 100 percent funding by ACL/HHS. Council efforts are those of the grantee and do not necessarily represent the official views of, nor an endorsement, by ACL/HHS, or the U.S. Government.
