MA Loophole

Children with Disabilities Eligible for Medicaid

Due to a little known loophole, most children with serious disabilities are eligible for Medicaid (also known as medical assistance) regardless of their parents’ income. Currently, most children with severe disabilities get Medicaid by qualifying for SSI. However, SSI counts the income and resources of parents. Those children who meet the medical criteria for a disability under SSI, but whose parent’ income make them ineligible for SSI can get Medicaid under this loophole. However, if your child was turned down for SSI because they didn’t feel he or she met the SSI standard of disability, rather than for excess income, this loophole does not apply.

The loophole works like this. In determining Medicaid eligibility for a child with severe disabilities, the Department of Public Welfare (DPW) would have to use the same formula that SSI uses to count the parent’s income. Since that formula is extremely complicated, DPW has chosen not to count any of the parents’ income, at least for now. DPW will look at income in the child’s name, such as Social Security survivor’s benefits or money in trust funds, but the parents’ salary and other income received in their name cannot be counted.

In order to obtain an application to apply for Medical Assistance through the Loophole, you must call or visit the Department of Public Welfare Office. The telephone numbers are as follows:

Allegheny County: 412.565.7755

Washington County: 724.223.4300

You can also access this application on-line at: <https://www.humanservices.state.pa.us/compass/CMHOM.aspx>

Because this loophole is not well known, they may tell you that you make too much money. Make it clear that you are applying for MA for your child only. You must politely insist on getting an application. **At the top of the first page, write in large letters, “MA for Disabled Child Only-Handbook Section 355.4”.**  This directs the worker at the County Assistance Office to the loophole. In addition to the paperwork required for the application, you will also need to submit proof that your child has an Axis I diagnosis. This may be proved by submitting a psychological/psychiatric evaluation, a letter from a doctor, or a similar document.