



2013 ASSEMBLY BILL 610

January 8, 2014 - Introduced by JOINT COMMITTEE ON FINANCE, by request of Governor Scott Walker. Referred to Joint Committee on Finance.

1 **AN ACT** *to affect* 2013 Wisconsin Act 20, section 9318 (14), 2013 Wisconsin Act
2 20, section 9418 (7), 2013 Wisconsin Act 20, section 9418 (7g), 2013 Wisconsin
3 Act 116, section 33 (2) and 2013 Wisconsin Act 116, section 33 (2m); **relating**
4 **to:** changing the timing of eligibility changes and other changes to BadgerCare
5 Plus.

Analysis by the Legislative Reference Bureau

Currently, the Department of Health Services (DHS) administers the Medical Assistance (MA) program, which is a joint federal and state program that provides health services to individuals who have limited resources. Some services are provided through programs that operate under a waiver of federal Medicaid laws, including services provided through the BadgerCare Plus (BC+). Under current law, BC+ provides health and medical services to eligible recipients and has a standard plan with a larger set of benefits and a Benchmark plan with fewer benefits. The 2013-2015 biennial budget act, 2013 Wisconsin Act 20 (Act 20), made changes to BC+ and MA, and some of those changes were not to go into effect until January 1, 2014. Another act, 2013 Wisconsin Act 116 (Act 116), delayed some of these changes until April 1, 2014. This bill again changes the date at which some of the changes take effect to February 1, 2014.

Under current law, unless DHS has a policy that conflicts with current state law eligibility requirements, certain individuals are eligible for benefits under the BC+ standard plan. Beginning on April 1, 2014, Act 20 and Act 116 reduce the income

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eligibility level for the BC+ standard plan for parents and caretaker relatives from not more than 200 percent of the federal poverty line (FPL) to not more than 100 percent of the FPL before a 5 percent income disregard is applied. Act 20 and Act 116 also define, beginning on April 1, 2014, for purposes of eligibility of a parent or caretaker relative, a "dependent child." Under current law, certain individuals who are not eligible for the BC+ standard plan are eligible for benefits under the BC+ Benchmark plan. Under Acts 20 and 116, parents and caretaker relatives are covered only under the standard plan beginning on April 1, 2014. The bill changes the effective date of the income eligibility requirements for parents and caretaker relatives, the definition of dependent child, and the elimination of the eligibility of parents and caretaker relatives for the Benchmark plan from April 1, 2014, to February 1, 2014. Under the bill, however, individuals whose family income does not exceed 200 percent of the FPL, who apply and are eligible for benefits as a parent or caretaker relative under the BC+ standard or Benchmark plan before February 1, 2014, and who would otherwise be eligible for benefits as a parent or caretaker relative except for the income limit continue to be eligible for the benefits that they were eligible for before February 1, 2014, until April 1, 2014.

Under current law, family income is the total gross earned and unearned income received by all members of a family. Beginning on April 1, 2014, under Acts 20 and 116, for purposes of determining eligibility for BC+, family income has the meaning given for household income under a federal regulation, which uses an income calculation based on modified adjusted gross income. Acts 20 and 116 also require DHS, beginning on January 1, 2014, to apply the definition of household in federal regulations to determinations of income. Acts 20 and 116 also make other changes to the calculation of income and family size for BC+ on April 1, 2014. The bill changes the effective date of the use of modified adjusted gross income calculations for eligibility determination from April 1, 2014, to February 1, 2014.

Under the bill, an individual who applies for MA on or after February 1, 2014, is subject to the income eligibility changes for parents and caretaker relatives and the modified adjusted gross income calculations at the time of application. For an individual who applies for MA before February 1, 2014, the bill does not apply the income eligibility changes for parents and caretaker relatives or a calculation method for self-employment income to that individual's eligibility redetermination until April 1, 2014. For an individual who applies for MA before February 1, 2014, the modified adjusted gross income calculations do not apply until a redetermination of eligibility for MA on April 1, 2014, or the actual date of the redetermination, whichever is later. If, however, a parent or caretaker relative who is receiving continued eligibility under the bill for benefits after February 1, 2014, has an increase in family income such that the individual's family income exceeds 200 percent of the FPL on or after February 1, 2014, DHS must determine the individual's eligibility for MA and the modified adjusted gross income calculations apply.

Under current law, certain individuals in addition to certain parents and caretaker relatives are eligible for benefits under the BC+ Benchmark plan, including pregnant women whose family income exceeds 200 percent but does not

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exceed 300 percent of the FPL and children under one year of age of those women; certain other pregnant women; and children whose family income exceeds 200 percent but does not exceed 300 percent of the FPL. Acts 20 and 116, beginning on April 1, 2014, provide benefits under the standard plan to the pregnant women and children who are currently eligible for the BC+ Benchmark plan. The bill changes the effective date of these changes from April 1, 2014, to February 1, 2014.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 2013 Wisconsin Act 20, section 9318 (14) is repealed and recreated
2 to read:

3 [2013 Wisconsin Act 20] Section 9318 (14) MODIFIED ADJUSTED GROSS INCOME.

4 (a) The treatment of sections 49.471 (1) (f), (3) (a) 1. and 3., (4) (a) 4. b. and c.
5 and (b) (intro.), 1., 1m., 2., 3., and 4., (6) (d), (7) (a) and (e), (8) (d) 1. b., (9) (a) 2. b.,
6 and (10) (b) 4. b., 49.84 (6) (c) 1. d., and 66.0137 (3) of the statutes and the repeal of
7 section 49.471 (7) (c) of the statutes first apply to initial determinations of eligibility
8 for Medical Assistance made on February 1, 2014, for individuals who apply after
9 January 31, 2014, for Medical Assistance.

10 (b) The treatment of section 49.471 (4) (a) 4. b. and c. and (b) 4. and (7) (a) of
11 the statutes first applies to redeterminations of eligibility for Medical Assistance
12 made on April 1, 2014, for individuals who apply before February 1, 2014, for Medical
13 Assistance.

14 (c) The treatment of section 49.471 (1) (f) and (7) (e) of the statutes and the
15 repeal of section 49.471 (7) (c) of the statutes first apply to redeterminations of
16 eligibility for recipients of Medical Assistance who apply before February 1, 2014,
17 made on the later of the following:

18 1. April 1, 2014.

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1 2. The actual date of the redetermination of eligibility.

2 **SECTION 2.** 2013 Wisconsin Act 20, section 9418 (7), as affected by 2013
3 Wisconsin Act 116, is amended to read:

4 [2013 Wisconsin Act 20] Section 9418 (7) PATIENT PROTECTION AND AFFORDABLE
5 CARE ACT CHANGES. The treatment of sections 49.45 (23) (a) (by SECTION 1046) and (e),
6 49.46 (1) (a) 15., 49.47 (4) (a) 1., 49.471 (1) (f), (3) (a) 1. and 3., (4) (a) 4. a., b., and c.
7 and (b) (intro.), 1., 1m., 2., 3., and 4., (6) (d), (7) (a), (b) 1. and 2. and (e), (8) (d) 1. b.,
8 (9) (a) 2. b., and (10) (b) 1. (by SECTION 1143) and 4. b., 49.84 (6) (c) 1. d., and 66.0137
9 (3) of the statutes, the repeal of section 49.471 (7) (e) of the statutes, and SECTION 9318
10 (14) of this act take takes effect on April 1, 2014.

11 **SECTION 3.** 2013 Wisconsin Act 20, section 9418 (7g) is created to read:

12 [2013 Wisconsin Act 20] Section 9418 (7g) BADGERCARE PLUS ELIGIBILITY;
13 MODIFIED ADJUSTED GROSS INCOME. The treatment of sections 49.46 (1) (a) 15., 49.47
14 (4) (a) 1., 49.471 (1) (f), (3) (a) 1. and 3., (4) (a) 4. a., b., and c. and (b) (intro.) 1., 1m.,
15 2., 3., and 4., (6) (d), (7) (a) and (e), (8) (d) 1. b., (9) (a) 2. b., and (10) (b) 4. b., 49.84
16 (6) (c) 1. d., and 66.0137 (3) of the statutes, the repeal of section 49.471 (7) (c) of the
17 statutes, and SECTION 9318 (14) of this act take effect on February 1, 2014.

18 **SECTION 4.** 2013 Wisconsin Act 116, section 33 (2) is amended to read:

19 [2013 Wisconsin Act 116] Section 33 (2) MEDICAL ASSISTANCE ELIGIBILITY. The
20 treatment of sections section 49.45 (23) (a) (by SECTION 2) and 49.471 (4) (a) 4. b. of
21 the statutes takes effect on April 1, 2014.

22 **SECTION 5.** 2013 Wisconsin Act 116, section 33 (2m) is created to read:

23 [2013 Wisconsin Act 116] Section 33 (2m) BADGERCARE PLUS ELIGIBILITY. The
24 treatment of section 49.471 (4) (a) 4. b. of the statutes takes effect on February 1,
25 2014.

ASSEMBLY BILL 610**1 SECTION 6. Nonstatutory provisions.****2 (1) BADGERCARE PLUS ELIGIBILITY.**

3 (a) Notwithstanding section 49.471 (4) of the statutes, beginning on February
4 1, 2014, the department of health services shall allow individuals whose family
5 income does not exceed 200 percent of the poverty line, who apply and are eligible
6 for benefits under section 49.471 (4) (a) 4. or (b) 4. of the statutes before February 1,
7 2014, and who would otherwise be eligible for benefits under section 49.471 (4) (a)
8 4. or (b) 4. of the statutes except for the income limit to continue to be eligible for
9 benefits that they were eligible for before February 1, 2014, until April 1, 2014.

10 (b) If an individual who is receiving continued eligibility for benefits under
11 paragraph (a) has an increase in family income such that the individual's family
12 income exceeds 200 percent of the poverty line on or after February 1, 2014, the
13 department of health services shall determine the individual's eligibility for Medical
14 Assistance. Notwithstanding 2013 Wisconsin Act 20, section 9318 (14) (b) and (c),
15 as affected by this act, the treatment of section 49.471 (1) (f), (4) (a) 4. b. and c. and
16 (b) 4., and (7) (a) and (e) of the statutes as of February 1, 2014, and the repeal of
17 section 49.471 (7) (c) of the statutes as of February 1, 2014, apply to determinations
18 of eligibility under this paragraph.

19 (END)