



## 2013 ASSEMBLY BILL 904

April 1, 2014 – Introduced by Representative JACQUE. Referred to Committee on Health.

1     **AN ACT to repeal** 49.472 (4) (a) 2m.; **to renumber and amend** 49.472 (3) (a) and  
2             49.472 (4) (a) (intro.); **to amend** 49.468 (1) (d), 49.468 (1m) (b), 49.468 (2) (b),  
3             49.472 (1) (c), 49.472 (3) (b), 49.472 (3) (f), 49.472 (4) (a) 2. (intro.), 49.472 (4) (a)  
4             3. and 49.472 (5); **to repeal and recreate** 49.472 (4) (a) 1. and 49.472 (4) (b);  
5             and **to create** 46.2896, 49.46 (1) (em), 49.472 (3) (a) 2. and 49.472 (4) (a) 4. of  
6             the statutes; **relating to:** eligibility for and premiums under the Medical  
7             Assistance purchase plan and disregarding assets in an independence account  
8             and retirement benefits for purposes of determining eligibility and  
9             cost-sharing requirements under a number of Medical Assistance and  
10            long-term care programs.

---

### ***Analysis by the Legislative Reference Bureau***

Under current law, an individual who would be eligible for the Medical Assistance (MA) program based on eligibility for supplemental security income (SSI), but who is not eligible for SSI because he or she is employed and has too much earned and unearned income to be eligible, may pay premiums for coverage under MA if his or her family's net income is less than 250 percent of the poverty line and

**ASSEMBLY BILL 904**

his or her assets do not exceed \$15,000, excluding certain assets. This program is known as the MA purchase plan (MAPP). When determining the value of the individual's assets for continued eligibility under MAPP, the Department of Health Services (DHS) excludes amounts in a DHS-approved account that consists solely of savings from the individual's employment after the individual's coverage under MAPP began. These accounts are known as "independence accounts."

This bill makes changes to the eligibility and premium requirements under MAPP. Under current law, when determining whether an individual's net income is less than 250 percent of the poverty line, certain disregards are deducted from the individual's and his or her spouse's total earned income, then the individual's and his or her spouse's total unearned income is added, and then another general disregard is deducted. Under the bill, an individual's net income is determined by subtracting the same disregards as under current law from the individual's total earned and unearned income alone, then the individual's out-of-pocket medical and remedial expenses and long-term care costs, if any, are deducted. In addition, the bill provides that if an individual whose income is equal to or greater than 250 percent of the poverty line satisfies all of the other eligibility requirements, he or she is eligible for MAPP if DHS determines that his or her earnings are insufficient to replace all of the publicly funded benefits that he or she would actually receive in the absence of those earnings. The bill also requires DHS, when determining eligibility for MAPP, to exclude from assets, to the extent approved by the federal government, income or assets from retirement benefits that accumulated or were earned from employment income or employer contributions while the individual was employed and receiving MA coverage under MAPP.

Premiums for MA coverage under MAPP currently are calculated for an individual by adding together all of the individual's unearned income, after certain specified amounts are deducted, and then adding, in practice, 3 percent of the individual's earned income, although the statutes provide that 3.5 percent of the individual's earned income is to be added. DHS may waive any premiums that are calculated to be below \$10 per month, although, in practice, DHS waives any premiums below \$25 per month. In addition, the statutes prohibit DHS from assessing a premium to an individual whose earned and unearned income is below 150 percent of the poverty line. Under the bill, an individual whose total earned and unearned income is at least 150 percent of the poverty line for an individual is required to pay a monthly premium equal to 3 percent of the individual's total earned and unearned income, after deducting the same specified amounts that are deducted under current law from an individual's unearned income, with a minimum premium payment of \$25. An individual whose total earned and unearned income is less than 150 percent of the poverty line for an individual is required to pay a monthly premium of \$25.

Finally, certain other MA and long-term care programs, including Family Care, the long-term support community options program, the community integration program, the self-directed services option program, and the expanded Medicare buy-in MA program, consider an individual's income and assets when determining eligibility and any cost-sharing requirements. The bill requires DHS

**ASSEMBLY BILL 904**

to exclude, to the extent approved by the federal government, amounts in an independence account and assets and income from retirement benefits that accumulated or were earned through employment income or employer contributions while an individual was employed and receiving MA coverage under MAPP when DHS determines the individual's eligibility or cost-sharing requirements under any of those MA or long-term care programs.

For further information see the *state and local* 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.** 46.2896 of the statutes is created to read:
- 2           **46.2896 Determining financial eligibility and cost sharing for**  
3 **long-term care programs.** To the extent approved by the federal government, the  
4 department or its designee shall exclude any assets accumulated in a person's  
5 independence account, as defined in s. 49.472 (1) (c), and any income or assets from  
6 retirement benefits earned or accumulated from employment income or employer  
7 contributions while the person was employed and eligible for and receiving medical  
8 assistance under s. 49.472 in determining that person's financial eligibility and  
9 cost-sharing requirements, if any, for the long-term care program under s. 46.27,  
10 46.275, or 46.277, for the family care benefit under s. 46.286, for the Family Care  
11 Partnership program, or for the long-term care program defined in s. 46.2899 (1).
- 12           **SECTION 2.** 49.46 (1) (em) of the statutes is created to read:
- 13           **49.46 (1) (em)** For purposes of determining the eligibility and any cost-sharing  
14 requirements of an individual under par. (a) 6m., 14., or 14m., (d) 2., or (e), to the  
15 extent approved by the federal government, the department shall exclude any assets  
16 accumulated in an independence account, as defined in s. 49.472 (1) (c), and any  
17 income or assets from retirement benefits earned or accumulated from employment

**ASSEMBLY BILL 904****SECTION 2**

1 income or employer contributions while the individual was employed and eligible for  
2 and receiving medical assistance under s. 49.472.

3 **SECTION 3.** 49.468 (1) (d) of the statutes is amended to read:

4 49.468 (1) (d) Benefits under par. (b) or (c) are available for an individual who  
5 has resources that are equal to or less than 200% of the allowable resources as  
6 determined under 42 USC 1381 to 1385, excluding, to the extent approved by the  
7 federal government, any assets accumulated in an independence account, as defined  
8 in s. 49.472 (1) (c), and any income or assets from retirement benefits earned or  
9 accumulated from income or employer contributions while the individual was  
10 employed and eligible for and receiving medical assistance under s. 49.472, and who  
11 has income that is equal to or less than 100% of the poverty line.

12 **SECTION 4.** 49.468 (1m) (b) of the statutes is amended to read:

13 49.468 (1m) (b) Benefits under par. (a) are available for an individual who has  
14 resources that are equal to or less than 200% of the allowable resources determined  
15 under 42 USC 1381 to 1385, excluding, to the extent approved by the federal  
16 government, any assets accumulated in an independence account, as defined in s.  
17 49.472 (1) (c), and any income or assets from retirement benefits earned or  
18 accumulated from income or employer contributions while the individual was  
19 employed and eligible for and receiving medical assistance under s. 49.472, and who  
20 has income that is greater than 100% of the poverty line but less than 120% of the  
21 poverty line.

22 **SECTION 5.** 49.468 (2) (b) of the statutes is amended to read:

23 49.468 (2) (b) Benefits under par. (a) are available for an individual who has  
24 resources that are equal to or less than 200% of the allowable resources under 42  
25 USC 1381 to 1385, excluding, to the extent approved by the federal government, any

**ASSEMBLY BILL 904**

1 assets accumulated in an independence account, as defined in s. 49.472 (1) (c), and  
2 any income or assets from retirement benefits earned or accumulated from income  
3 or employer contributions while the individual was employed and eligible for and  
4 receiving medical assistance under s. 49.472, and who has income that is equal to or  
5 less than 200% of the poverty line.

6 **SECTION 6.** 49.472 (1) (c) of the statutes is amended to read:

7 49.472 (1) (c) "Independence account" means an account approved by the  
8 department that consists solely of savings, and dividends or other gains derived from  
9 those savings, from income earned from paid employment ~~after the initial date on~~  
10 ~~which~~ while an individual ~~begans~~ is receiving medical assistance under this section.

11 **SECTION 7.** 49.472 (3) (a) of the statutes is renumbered 49.472 (3) (a) 1. and  
12 amended to read:

13 49.472 (3) (a) 1. The Except as provided in subd. 2., the individual's family's  
14 total net income is less than ~~250%~~ 250 percent of the poverty line for a family ~~the size~~  
15 ~~of the individual's family~~ an individual. In calculating the net income, the  
16 department shall apply all of the exclusions specified under 42 USC 1382a (b), and  
17 shall exclude the individual's out-of-pocket medical and remedial expenses and  
18 long-term care costs, if any.

19 **SECTION 8.** 49.472 (3) (a) 2. of the statutes is created to read:

20 49.472 (3) (a) 2. The individual's total net income equals or exceeds 250 percent  
21 of the poverty line for an individual, but the department determines that the  
22 individual's earnings are insufficient to replace all of the publicly funded benefits  
23 that the individual would actually receive in the absence of those earnings.

24 **SECTION 9.** 49.472 (3) (b) of the statutes is amended to read:

**ASSEMBLY BILL 904****SECTION 9**

1           49.472 (3) (b) The individual's assets do not exceed \$15,000. In determining  
2 assets, the department may not include assets that are excluded from the resource  
3 calculation under 42 USC 1382b (a) ~~or~~; assets accumulated in an independence  
4 account; or, to the extent approved by the federal government, income or assets from  
5 retirement benefits earned or accumulated from income or employer contributions  
6 while the individual was employed and eligible for and receiving medical assistance  
7 under this section. The department may exclude, in whole or in part, the value of a  
8 vehicle used by the individual for transportation to paid employment.

9           **SECTION 10.** 49.472 (3) (f) of the statutes is amended to read:

10           49.472 (3) (f) The individual maintains premium payments calculated by the  
11 ~~department~~ in accordance with sub. (4), unless the individual is exempted from  
12 premium payments under sub. ~~(4) (b) or~~ (5).

13           **SECTION 11.** 49.472 (4) (a) (intro.) of the statutes is renumbered 49.472 (4)  
14 (intro.) and amended to read:

15           49.472 (4) (intro.) Except as provided in ~~par. (b) and~~ sub. (5), an individual who  
16 is eligible for medical assistance under sub. (3) and receives medical assistance shall  
17 pay a monthly premium to the department. ~~The department shall establish the~~  
18 ~~monthly premiums by rule in accordance with the following guidelines, calculated~~  
19 as follows:

20           **SECTION 12.** 49.472 (4) (a) 1. of the statutes is repealed and recreated to read:

21           49.472 (4) (a) 1. Except as provided in subds. 3. and 4., an individual whose  
22 total net income, as calculated under sub. (3) (a), is equal to or greater than 150  
23 percent of the poverty line for an individual shall pay a premium that is equal to 3  
24 percent of the individual's total earned and unearned income, after the deductions  
25 specified in subd. 2.

**ASSEMBLY BILL 904**

1           **SECTION 13.** 49.472 (4) (a) 2. (intro.) of the statutes is amended to read:

2           49.472 (4) (a) 2. (intro.) In determining an individual's total earned and  
3           unearned income for purposes of determining the premium under subd. 1., the  
4           department shall disregard all of the following:

5           **SECTION 14.** 49.472 (4) (a) 2m. of the statutes is repealed.

6           **SECTION 15.** 49.472 (4) (a) 3. of the statutes is amended to read:

7           49.472 (4) (a) 3. The Subject to subd. 4., the department may reduce the  
8           premium ~~by 25%~~ determined under subd. 1. by 25 percent for an individual who is  
9           covered by private health insurance.

10          **SECTION 16.** 49.472 (4) (a) 4. of the statutes is created to read:

11          49.472 (4) (a) 4. An individual's premium under this paragraph may not be less  
12          than \$25.

13          **SECTION 17.** 49.472 (4) (b) of the statutes, as affected by 2011 Wisconsin Act 32,  
14          section 1462h, is repealed and recreated to read:

15          49.472 (4) (b) An individual whose total net income, as calculated under sub.  
16          (3) (a), is less than 150 percent of the poverty line for an individual shall pay a  
17          premium of \$25.

18          **SECTION 18.** 49.472 (5) of the statutes is amended to read:

19          49.472 (5) COMMUNITY OPTIONS PARTICIPANTS. From the appropriation under s.  
20          20.435 (7) (bd), the department may pay all or a portion of the monthly premium  
21          calculated under sub. (4) (a) for an individual who is a participant in the community  
22          options program under s. 46.27 (11).

23          **SECTION 19. Initial applicability.**

24          (1) ELIGIBILITY FOR THE MEDICAL ASSISTANCE PURCHASE PLAN. The treatment of  
25          section 49.472 (3) (b) and (f) of the statutes, the renumbering and amendment of

**ASSEMBLY BILL 904****SECTION 19**

1 section 49.472 (3) (a) of the statutes, and the creation of section 49.472 (3) (a) 2. of  
2 the statutes first apply to individuals who apply for the Medical Assistance purchase  
3 plan, or whose continued eligibility for the Medical Assistance purchase plan is  
4 reviewed, on the effective date of this subsection.

5 (2) ELIGIBILITY FOR CERTAIN MEDICAL ASSISTANCE PROGRAMS.

6 (a) *Long-term care.* The treatment of section 46.2896 of the statutes first  
7 applies to individuals who apply for any of the programs listed in section 46.2896 of  
8 the statutes, as created by this act, or whose continued eligibility for any of the  
9 programs listed in section 46.2896 of the statutes, as created by this act, is reviewed,  
10 on the effective date of this paragraph.

11 (b) *Medical Assistance.* The treatment of section 49.46 (1) (em) of the statutes  
12 first applies to individuals who apply for Medical Assistance, or whose continued  
13 eligibility for Medical Assistance is reviewed, on the effective date of this paragraph.

14 (c) *Medicare buy-in.* The treatment of section 49.468 (1) (d), (1m) (b), and (2)  
15 (b) of the statutes first applies to individuals who apply for the expanded medicare  
16 buy-in program, or whose continued eligibility for the expanded medicare buy-in  
17 program is reviewed, on the effective date of this paragraph.

18 (3) PREMIUMS FOR THE MEDICAL ASSISTANCE PURCHASE PLAN. The treatment of  
19 section 49.472 (4) (a) (intro.), 1., 2. (intro.), 2m., 3., and 4. and (b), and (5) of the  
20 statutes first applies to premiums for the Medical Assistance purchase plan that are  
21 payable on the effective date of this subsection.

22 (END)