

## 2013 DRAFTING REQUEST

**Bill**

Received: 12/11/2012 Received By: pkahler  
Wanted: As time permits Same as LRB:  
For: André Jacque (608) 266-9870 By/Representing: Jamie Julian  
May Contact: Drafter: pkahler  
Subject: Medical Assistance Addl. Drafters:  
Extra Copies:

Submit via email: YES  
Requester's email: Rep.Jacque@legis.wisconsin.gov  
Carbon copy (CC) to: Tamara.Dodge@legis.wisconsin.gov

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### Pre Topic:

No specific pre topic given

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### Topic:

Miscellaneous changes to the Medical Assistance Purchase Plan (MAPP)

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### Instructions:

See attached

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### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 2/19/2013	scalvin 2/21/2013	rschluet 2/22/2013	_____			
/P1	pkahler 1/14/2014			_____	sbasford 2/22/2013		State S&L
/P2	pkahler 1/24/2014	scalvin 1/15/2014	rschluet 1/15/2014	_____	srose 1/15/2014		State S&L
/P3	pkahler	scalvin	jmurphy	_____	mbarman		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	3/21/2014	1/27/2014	1/27/2014	_____	1/27/2014		S&L
/1	mbarman 3/21/2014	scalvin 3/21/2014	rschluet 3/21/2014	_____	mbarman 3/21/2014	mbarman 3/21/2014	State S&L

FE Sent For:

②  
INTRO

<END>

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/P3		scalvin	jmurphy	_____	mbarman		State

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03/21/2014

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03/21/2014  
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2/21/14

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for the Assembly

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
		1/27/2014	1/27/2014	_____	1/27/2014		S&L

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		<i>/P3 see 01/27/2014</i>	<i>Jan 1/27</i>	<i>Jan 1/27</i>			

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**<END>**

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/?	pkahler 2/19/2013	scalvin 2/21/2013	rschluet 2/22/2013	_____	_____	_____	_____
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/P1		1P2 sac (blue sheet version) 01/15/2014	1P2 sac (blue sheet version) 01/15/2014	_____	sbasford 2/22/2013	_____	State S&L
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FE Sent For:

12 sac  
01/15/2014

12 sac  
01/15/2014

<END>

*Handwritten signatures and dates:*  
 JM + ES 1/15/14  
 [Signature] 1/15/14

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/? pkahler

/PI sac  
02/21/2013

*Handwritten signature and date 2/21/13*

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FE Sent For:

<END>

**Dodge, Tamara**

**From:** Julian, Jamie  
**Sent:** Monday, December 10, 2012 3:44 PM  
**To:** Dodge, Tamara  
**Subject:** Bill Draft Requested incorporating MAPP changes

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Good Afternoon,

Rep. Jacque would like a bill drafted that would reflect the following changes to the Wisconsin Medicaid Purchase Plan (MAPP:)

42 USC 1382a (a)(1) + (2)

- Elimination of the current distinction between earned and unearned income in the premium calculation;
- Implementation of minimum premiums for all participants with countable income above 150% FPL;
- Define a maximum premium for participants that removes the disincentive toward higher earnings;
- Create provisions for an "individualized threshold" similar to 1619(b) within MAPP,
- Eliminate the marriage penalty by disregarding the spouse's income and assets; and
- Provide portability of eligibility for those retiring by disregarding income and assets from employer-sponsored retirement, Social Security or deferred compensation obtained by working.

but how then?

same as earned or same as unearned or so

unearned income (SS)

Please let me know if you have any questions or need further clarification on any of the requested changes.

Sincerely,

*Jamie Julian*

Office of Rep. Andre Jacque  
2<sup>nd</sup> Assembly District

Room 9 West  
State Capitol  
P.O. Box 8953  
Madison, WI 53708

(608) 266-9870

(1) → wages + similar

(2) support & main person / annuity disability ben. trust earnings, etc

elig → spouse's income, too

## Kahler, Pam

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**From:** Julian, Jamie  
**Sent:** Monday, February 18, 2013 12:48 PM  
**To:** Kahler, Pam  
**Subject:** UPDATE: Bill Draft Requested incorporating MAPP changes  
**Attachments:** response to Rep Jacque questions comments (4).docx

Response BELOW. We would like this one soon if possible.

I will be drafting this request. After reviewing the statute and the rules, I have a number of questions about it:

- ✓ 1. You want to eliminate "the current distinction between earned and unearned income in the premium calculation," but you don't say in what way you want them to be treated that is the same. Do you want them both to be treated like earned income is treated now, or both to be treated like unearned income is treated now, or something different? Since DHS promulgates rules for the premiums, do you just want to direct DHS to treat the types of income in the same way without specifying which way?

We want unearned income to be treated as earned income. This would, in effect, lower the premium because the deductions (special exempt income, standard living allowance, impairment related work expense, medical remedial expenses, and COLAs) would be taken from the combination of earned and unearned income and then whatever is left over would be multiplied by 3%. The result is the premium, unless you implement minimum and maximum premiums.

- ✓ 2. You want to implement "minimum premiums for all participants with countable income above 150% FPL," but I do not know how you are defining "countable income" or what you want the minimum premium to be. By "countable income" do you mean all income not attributable to the independence account? Do you mean that you want all participants with earned and unearned income (excluding independence account income, if that is what you mean by "countable") of at least 150% of FPL to pay a premium that is not less than a certain amount, regardless of what their adjusted income is after subtracting the disregards, etc.? Do you want to specify a minimum premium or do you just want to direct DHS to establish a minimum premium by rule for those individuals?

"Countable Income" means the adjusted income after the eligibility calculation is done. Currently, that is the spouse and applicant's combined earned income minus the earned income deduction (\$65 and one-half of the remainder) and minus impairment related work expenses, then added to the spouse and applicant's combined unearned income, minus \$20. any special exempt income, and the COLA disregard. If the result is above 150% of the federal poverty level for the applicable family size, the person will pay a premium. The Independence Accounts do not factor into the countable income. We propose a minimum premium of \$25, but the Department may decide differently in order to assure that the changes are cost neutral.

- ✓ 3. You want to "define a maximum premium for participants that removes the disincentive toward higher earnings." Do you want to set a maximum premium amount or do you just want to direct DHS to set a maximum premium?

Direct the department to set a minimum (as recommended above) and maximum premium \$200-\$400 as this provides an opportunity to assure that the changes can be done without incurring additional costs to Medicaid, but will need to make sure that the maximum premium is affordable.

4. You want to "create provisions for an "individualized threshold" similar to 1619(b) within MAPP." I do not know what you mean by "individualized threshold" or what "1619 (b)" refers to. I assume it is a reference to federal law, but it is not complete, so I cannot find it.

"1619(b)" refers to Section 1619(b) of the Social Security Act, which allows SSI recipients who work at such a level that their cash benefit is eliminated to maintain Medicaid eligibility. 1619(b) establishes an income limit for each state that is equal to a base amount plus the state's average annual Medicaid expense for non-institutionalized SSI recipients. Individuals with higher than average medical expenses (i.e. those with long term care costs) can have higher earnings, as their ACTUAL Medicaid expenses are added to the base amount, rather than the average amount. SSA calls this and "individualized threshold" for recipients in 1619(b) status, and directs the state to continue Medicaid for these

recipients. In 2012, the maximum "countable" income for a MAPP recipient is just under \$57,000, plus whatever impairment related work expenses the person may have. In contrast, a typical SSI individual with long-term care costs in Wisconsin totaling \$3,000 per month could have an individualized threshold of more than \$75,000 plus any impairment related work expenses he or she might have, with no premium, but with no ability to save more than \$2000. Providing the individualized threshold would make it possible for 1619 individuals to come over to the Medicaid buy-in, pay a premium and take advantage of the opportunity to save.

- ✓5. You want DHS to disregard a spouse's income and assets. According to s. 49.472 and the rules, it appears that a spouse's income is considered (see s. 49.472 (3) (a)) but not a spouse's assets (see s. 49.472 (3) (b)). Do you know if this is not the case in practice?

It's true that a spouse's assets are not counted in the eligibility determination. A spouse's income is included in the eligibility determination but not in the premium calculation. So we would like to see the spouse's income also not counted, not only to eliminate the so called "marriage penalty", but to ensure that the "spouse" with a disability has access to the appropriate and affordable health (Medicaid) and long-term care (Family Care, Family Care Partnership, PACE or IRIS) services and which may not be available in the individual health insurance market or through the private long-term care market for people with pre-existing conditions.

- ✓6. You want to disregard certain types of unearned income to "provide portability of eligibility for those retiring." I'm confused about this, because one of the current right eligibility requirements is that a person be engaged in gainful employment or participating in a program certified to provide health and employment services that are aimed at helping the individual achieve employment goals (see s. 49.472 (3) (g)). It doesn't appear that a retired person would be eligible for the program. Do you instead simply want to prohibit DHS from considering certain types of unearned income for eligibility in general?

No, we have asked the federal agency, CMS, if it's possible to ignore unearned income (derived from work while in the MAPP program) for eligibility in general and their response was that we cannot treat one group of people differently: **"CMS Feedback: Section 1902(r)(2) disregards must apply to the entire eligibility group and cannot be applied differently based upon separate criteria."**

However, people with significant disabilities, particularly those with physical disabilities who require long term care services, may not be able to work at their maximum level until full retirement age. Many have health issues or body issues that force them to stop working in their 50's. They might need to retire from their full-time jobs, and collect their retirement pensions and Social Security Disability benefits. They can still meet the current work requirement for MAPP, which was and is designed to allow a broad range of employment opportunities to qualify and which allow them to maintain eligibility for Medicaid benefits. However, without the change in policy regarding the unearned income, they would either not be eligible for MAPP or they would have a high premium. Without the portability of assets, they will not qualify for other Medicaid categories. Even if they reduce their assets, the unearned income would mean a high cost share or spend down in order to qualify.

Therefore there are two things that need to happen, first the definition of work should be maintained, as it provides a definition of work that doesn't require documentation of earnings. This will allow a retired person or someone who has to give up "paid" employment, to continue to be recognized as working by only having to identify that they are doing "work" e.g. childcare for their granddaughter or walking the neighbors dog, etc..

Second, we want to make sure that when individuals leave the Medicaid buy-in that their assets disregarded for eligibility while in the buy-in continue to be disregarded when determining eligibility for all Medicaid categories. Wisconsin allows for exclusion of retirement accounts and other savings accounts under our Medicaid Buy-In. Persons in MAPP may have up to \$15,000 in assets when they first apply, and may accrue unlimited amounts of income or savings as Independence Accounts once in the program. These may be in the form of retirement plans, deferred compensation, certificates of deposit, savings accounts, etc. All assets

excluded under MAPP should remain excluded under all Medicaid categories once eligibility for MAPP stops. See Connecticut buy-in rules as an example.

Thank you,

*Jamie Julian*

Office of Rep. André Jacque  
2<sup>nd</sup> Assembly District

Room 123 West  
State Capitol  
P.O. Box 8952  
Madison, WI 53709

(608) 266-9870

---

**From:** Kahler, Pam  
**Sent:** Thursday, December 13, 2012 11:04 AM  
**To:** Julian, Jamie  
**Subject:** FW: Bill Draft Requested incorporating MAPP changes

Hi, Jamie:

I will be drafting this request. After reviewing the statute and the rules, I have a number of questions about it:

1. You want to eliminate "the current distinction between earned and unearned income in the premium calculation," but you don't say in what way you want them to be treated that is the same. Do you want them both to be treated like earned income is treated now, or both to be treated like unearned income is treated now, or something different? Since DHS promulgates rules for the premiums, do you just want to direct DHS to treat the types of income in the same way without specifying which way?
2. You want to implement "minimum premiums for all participants with countable income above 150% FPL," but I do not know how you are defining "countable income" or what you want the minimum premium to be. By "countable income" do you mean all income not attributable to the independence account? Do you mean that you want all participants with earned and unearned income (excluding independence account income, if that is what you mean by "countable") of at least 150% of FPL to pay a premium that is not less than a certain amount, regardless of what their adjusted income is after subtracting the disregards, etc.? Do you want to specify a minimum premium or do you just want to direct DHS to establish a minimum premium by rule for those individuals?
3. You want to "define a maximum premium for participants that removes the disincentive toward higher earnings." Do you want to set a maximum premium amount or do you just want to direct DHS to set a maximum premium?
4. You want to "create provisions for an "individualized threshold" similar to 1619(b) within MAPP." I do not know what you mean by "individualized threshold" or what "1619 (b)" refers to. I assume it is a reference to federal law, but it is not complete, so I cannot find it.
5. You want DHS to disregard a spouse's income and assets. According to s. 49.472 and the rules, it appears that a spouse's income is considered (see s. 49.472 (3) (a)) but not a spouse's assets (see s. 49.472 (3) (b)). Do you know if this is not the case in practice?
6. You want to disregard certain types of unearned income to "provide portability of eligibility for those retiring." I'm confused about this, because one of the current eligibility requirements is that a person be engaged in gainful employment or participating in a program certified to provide health and employment services that are aimed at helping the individual achieve employment goals (see s. 49.472 (3) (g)). It doesn't

appear that a retired person would be eligible for the program. Do you instead simply want to prohibit DHS from considering certain types of unearned income for eligibility in general?

Thanks for your help.  
Pam

---

**From:** Dodge, Tamara  
**Sent:** Wednesday, December 12, 2012 3:18 PM  
**To:** Kahler, Pam  
**Subject:** FW: Bill Draft Requested incorporating MAPP changes

---

**From:** Julian, Jamie  
**Sent:** Monday, December 10, 2012 3:44 PM  
**To:** Dodge, Tamara  
**Subject:** Bill Draft Requested incorporating MAPP changes

Good Afternoon,

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- Elimination of the current distinction between earned and unearned income in the premium calculation;
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- Create provisions for an "individualized threshold" similar to 1619(b) within MAPP,
- Eliminate the marriage penalty by disregarding the spouse's income and assets; and
- Provide portability of eligibility for those retiring by disregarding income and assets from employer-sponsored retirement, Social Security or deferred compensation obtained by working.

Please let me know if you have any questions or need further clarification on any of the requested changes.

Sincerely,

*Jamie Julian*

Office of Rep. Andre Jacque  
2<sup>nd</sup> Assembly District

Room 9 West  
State Capitol  
P.O. Box 8953  
Madison, WI 53708

(608) 266-9870



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-0791/A  
PJK.:... PI

SAC r must run

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

D - note  
(in 2-19)  
SOON  
you cat

1 AN ACT ~~relating to~~; relating to: eligibility for and premiums under the Medical  
2 Assistance purchase plan, disregarding retirement benefits for purposes of  
3 determining eligibility and cost-sharing requirements under a number of  
4 Medical Assistance programs, and granting rule-making authority.

*Analysis by the Legislative Reference Bureau*

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

(END)





DOA:.....Iwata, BB0356 - Reducing work disincentives under MAPP  
**FOR 2013-2015 BUDGET - NOT READY FOR INTRODUCTION**

2013 Bill

general

1 AN ACT relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**MEDICAL ASSISTANCE**

The Department of Health Services

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 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, 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 a number of 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, the same disregards as under current law are deducted from the individual's and his or her spouse's total earned

an individual's net income is determined by subtracting

AS: please remove any notes from 2-10-16 draft including suppressed notes.

and unearned income, then a new deduction of up to \$500 per month of the individual's out-of-pocket medical and remedial expenses and long-term care costs is applied, and then the same general disregard as under current law is deducted. The bill also requires DHS to verify an individual's income from work activities through documentation provided by the individual, and requires that, to be engaged in gainful employment, an individual must be paying, or having withheld, certain taxes and must document that payment or withholding to DHS.

Premiums for MA coverage under MAPP 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, DHS is prohibited from assessing a premium to an individual whose earned and unearned income is below 150 percent of the poverty line for a family the size of the individual's family, and, in practice, DHS uses the individual's total earned and unearned income. 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 premium. The premium payable is 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, and rounded down to the nearest \$25. A minimum monthly premium of \$50 is set, however, for anyone whose premium calculation is below that amount.

Finally, certain MA programs consider an individual's income and assets when determining eligibility and any cost-sharing requirements for the program. The bill requires DHS to exclude, to the extent approved by the federal government, independence accounts and retirement benefits that accumulated or were earned through employment income or employer contributions while the individual was employed and receiving MA coverage under MAPP when determining eligibility or cost-sharing requirements under various MA programs, including Family Care and MAPP, except that independence accounts are already excluded under current law with respect to MAPP.

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:*

SECTION 1. 46.286 (1m) of the statutes is created to read:

46.286 (1m) INCOME AND ASSETS EXCLUDED. For purposes of determining a person's financial eligibility under sub. (1) (b) and cost-sharing requirements under

of not less than \$25 and a maximum monthly premium amount of not more than \$400. The amount must be affordable and cost-neutral for MAPP.

alone

if any, are deducted

DHS is required to set, by rule,

1 sub. (2), to the extent approved by the federal government, the department or its  
2 designee shall exclude any assets accumulated in an independence account, as  
3 defined in s. 49.472 (1) (c), and any income or assets from retirement benefits earned  
4 or accumulated from employment income or employer contributions while the person  
5 was employed and eligible for and receiving medical assistance under s. 49.472.

6 **SECTION 2.** 49.46 (1) (em) of the statutes is created to read:

7 49.46 (1) (em) For purposes of determining the eligibility and any cost-sharing  
8 requirements of an individual under par. (a) 6m., 14., or 14m., (d) 2., or (e), to the  
9 extent approved by the federal government, the department shall exclude any assets  
10 accumulated in an independence account, as defined in s. 49.472 (1) (c), and any  
11 income or assets from retirement benefits earned or accumulated from employment  
12 income or employer contributions while the individual was employed and eligible for  
13 and receiving medical assistance under s. 49.472.

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

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

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

24 49.468 (1m) (b) Benefits under par. (a) are available for an individual who has  
25 resources that are equal to or less than 200% of the allowable resources determined

1 under 42 USC 1381 to 1385, excluding, to the extent approved by the federal  
2 government, any assets accumulated in an independence account, as defined in s.  
3 49.472 (1) (c), and any income or assets from retirement benefits earned or  
4 accumulated from income or employer contributions while the individual was  
5 employed and eligible for and receiving medical assistance under s. 49.472, and who  
6 has income that is greater than 100% of the poverty line but less than 120% of the  
7 poverty line.

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

9 49.468 (2) (b) Benefits under par. (a) are available for an individual who has  
10 resources that are equal to or less than 200% of the allowable resources under 42  
11 USC 1381 to 1385, excluding, to the extent approved by the federal government, any  
12 assets accumulated in an independence account, as defined in s. 49.472 (1) (c), and  
13 any income or assets from retirement benefits earned or accumulated from income  
14 or employer contributions while the individual was employed and eligible for and  
15 receiving medical assistance under s. 49.472, and who has income that is equal to or  
16 less than 200% of the poverty line.

17 **SECTION 6.** 49.47 (4) (b) (intro.) of the statutes is amended to read:

18 49.47 (4) (b) (intro.) Eligibility exists if the applicant's property, subject to the  
19 ~~exclusion of~~ excluding any amounts under the Long-Term Care Partnership  
20 Program established under s. 49.45 (31), and, to the extent approved by the federal  
21 government, any amounts assets accumulated in an independence account, as  
22 defined in s. 49.472 (1) (c), ~~or~~ and any income or assets from retirement assets that  
23 ~~accrued~~ benefits earned or accumulated from employment income or employer  
24 contributions while the applicant was employed and eligible for the community  
25 ~~options program under s. 46.27 (11), or any other Medical Assistance program,~~

1 including ~~deferred compensation or the value of retirement accounts in the~~  
2 ~~Wisconsin Retirement System or under the federal Social Security Act and receiving~~  
3 medical assistance under s. 49.472, does not exceed the following:

4 SECTION 7. 49.472 (1) (c) of the statutes is amended to read:

5 49.472 (1) (c) "Independence account" means an account approved by the  
6 department that consists solely of savings, and dividends or other gains derived from  
7 those savings, from income earned from paid employment ~~after the initial date on~~  
8 ~~which~~ while an individual ~~began~~ is receiving medical assistance under this section.

9 SECTION 8. 49.472 (3) (a) of the statutes is amended to read:

10 49.472 (3) (a) The individual's family's and his or her spouse's total net income  
11 is less than 250 percent of the poverty line for a family ~~the size of the individual's family~~  
12 In For purposes of calculating the net income under this paragraph, the department  
13 shall apply all of the exclusions specified under 42 USC 1382a (b), except that  
14 exclusions applied under 42 USC 1382a (b) (4) to earned income shall be applied to  
15 earned and unearned income combined, and shall exclude up to \$500 per month of  
16 the individual's out-of-pocket medical and remedial expenses and long-term care  
17 costs, if any.

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

19 49.472 (3) (b) The individual's assets do not exceed \$15,000. In determining  
20 assets, the department may not include assets that are excluded from the resource  
21 calculation under 42 USC 1382b (a) ~~or~~; assets accumulated in an independence  
22 account; or, to the extent approved by the federal government, income or assets from  
23 retirement benefits earned or accumulated from income or employer contributions  
24 while the individual was employed and eligible for and receiving medical assistance

Insert 5-17

on individual

1 under this section. The department may exclude, in whole or in part, the value of a  
2 vehicle used by the individual for transportation to paid employment.

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

4 49.472 (3) (f) The individual, if required to pay a premium under sub. (4) (a)  
5 1., maintains premium payments calculated by the department in accordance with  
6 sub. (4), unless the individual is exempted from premium payments under sub. (4)  
7 (b) or (5).

8 **SECTION 11.** 49.472 (3m) of the statutes is created to read:

9 49.472 (3m) VERIFYING INCOME. The department shall verify income from work  
10 activity under sub. (3) (a) and (g) through documentation provided by the individual.  
11 The department shall require that, for an individual to be engaged in gainful  
12 employment under sub. (3) (g), the individual must be working and paying, or having  
13 withheld, federal social security and Medicare taxes and other applicable state or  
14 federal income taxes. The department shall require that the individual provide  
15 documentation of the taxes paid or withheld.

16 **SECTION 12.** 49.472 (4) (a) (intro.) of the statutes is repealed.

17 **SECTION 13.** 49.472 (4) (a) 1. of the statutes is repealed and recreated to read:

18 49.472 (4) (a) 1. An individual who is eligible for medical assistance under sub.  
19 (3) and receives medical assistance shall pay a monthly premium to the department  
20 if the individual's total <sup>net</sup> earned and unearned income is equal to at least 150 percent  
21 of the poverty line for an individual.

22 **SECTION 14.** 49.472 (4) (a) 1m. of the statutes is created to read:

23 49.472 (4) (a) 1m. Except as provided in par. (b), the premium required under  
24 subd. 1. shall be equal to 3 percent of the individual's total earned and unearned  
25 income, after the deductions specified in subd. 2., rounded down to the nearest \$25.

) as calculated under sub. (3)(a),

1 SECTION 15. 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 under subd. 1. 1m., the department shall disregard all of the  
4 following:

5 SECTION 16. 49.472 (4) (a) 2m. of the statutes is repealed.

6 SECTION 17. 49.472 (4) (a) 3. of the statutes is amended to read:

7 49.472 (4) (a) 3. The Subject to par. (b), the department may reduce the  
8 premium by ~~25%~~ <sup>25 percent</sup> for an individual who is covered by private health insurance.

Auto ref A

9 SECTION 18. 49.472 (4) (b) of the statutes is amended to read:

Insert 7-15

10 49.472 (4) (b) ~~The department may waive monthly premiums that are~~  
11 ~~calculated to be below \$10~~ minimum premium payable by an individual specified in  
12 par. (a) 1. is \$50 per month. Unless otherwise provided by the department by a policy  
13 created under s. 49.45 (2m) (c), the department may not assess a monthly premium  
14 for any individual whose ~~income level, after adding the individual's total earned~~  
15 ~~income and unearned income,~~ is below 150% of the poverty line for an individual.

Auto ref B

16 SECTION 19. 49.472 (4) (b) of the statutes, as affected by 2011 Wisconsin Act 32  
17 and 2013 Wisconsin Act ... (this act), is repealed and recreated to read:

Insert 7-21

18 49.472 (4) (b) The minimum premium payable by an individual specified in par.  
19 (a) 1. is \$50 per month. The department may not assess a monthly premium for any  
20 individual whose total earned and unearned income is below 150 percent of the  
21 poverty line for an individual.

22 SECTION 20. 49.472 (5) of the statutes is amended to read:

23 49.472 (5) COMMUNITY OPTIONS PARTICIPANTS. From the appropriation under s.  
24 20.435 (7) (bd), the department may pay all or a portion of the monthly premium

1 calculated under sub. (4) (a) for an individual who is a participant in the community  
2 options program under s. 46.27 (11).

3 **SECTION 9118. Nonstatutory provisions; Health Services.**

4 (1) ELIGIBILITY AND PREMIUMS UNDER THE MEDICAL ASSISTANCE PURCHASE PLAN.

5 (a) *Notification of federal approval.* The department of health services shall  
6 request from the federal government approval of the treatment of section 49.472 (3)  
7 (a) and (f), (3m), (4) (a) (intro.), 1., 1m., 2. (intro.), 2m., and 3. and (b) (by SECTIONS  
8 18 and 19), and (5) of the statutes by this act, and shall notify the legislative reference  
9 bureau when each provision is approved. The legislative reference bureau shall  
10 publish each notice in the Wisconsin Administrative Register.

11 (b) *Void provisions.*

12 1. Notwithstanding SECTION 9418 (1) of this act, if, by January 1, 2015, the  
13 department of health services has not notified the legislative reference bureau under  
14 paragraph (a) that federal approval has been given with respect to the treatment of  
15 section 49.472 (4) (b) (by SECTION 18) of the statutes by this act, that treatment is void.

16 2. Notwithstanding SECTION 9418 (1) and (3) of this act, if, by January 1, 2016,  
17 the department of health services has not notified the legislative reference bureau  
18 under paragraph (a) that federal approval has been given with respect to the  
19 treatment of section 49.472 (3) (a) or (f), (3m), (4) (a) (intro.), 1., 1m., 2. (intro.), 2m.,  
20 or 3. or (b) (by SECTION 19), or (5) of the statutes by this act, that treatment is void.

auto ref C

21 **SECTION 9418. Initial applicability; Health Services.**

22 (1) ELIGIBILITY FOR THE MEDICAL ASSISTANCE PURCHASE PLAN. The treatment of  
23 section 49.472 (3) (a) and (f) and (3m) of the statutes first applies to individuals who  
24 apply for the Medical Assistance purchase plan, or whose continued eligibility for the  
25 Medical Assistance purchase plan is reviewed, on January 1, 2014, or on the day after

21  
22  
23  
24  
25  
not comment

the applicable publication of the notice of approval in the Wisconsin Administrative Register under SECTION 9118 (1) (a) of this act, whichever is later

(2) ELIGIBILITY FOR CERTAIN MEDICAL ASSISTANCE PROGRAMS.

(a) *Family care.* The treatment of section 46.286 (1m) of the statutes first applies to individuals who apply for the family care benefit, or whose continued eligibility for the family care benefit is reviewed, on the effective date of this paragraph.

(b) *Medical Assistance.* The treatment of sections 49.46 (1) (em), 49.47 (4) (b) (intro.), and 49.472 (3) (b) of the statutes first applies to individuals who apply for Medical Assistance or the Medical Assistance purchase plan, or whose continued eligibility for Medical Assistance or the Medical Assistance purchase plan is reviewed, on the effective date of this paragraph.

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

(3) PREMIUMS FOR THE MEDICAL ASSISTANCE PURCHASE PLAN.

(a) The treatment of section 49.472 (4) (a) (intro.), 1., 1m., 2. (intro.), 2m., and 3. and (b) (by SECTION 18) and (5) of the statutes first applies to premiums for the Medical Assistance purchase plan that are payable on January 1, 2014, or on the day after the applicable publication of the notice of approval in the Wisconsin Administrative Register under SECTION 9118 (1) (a) of this act, whichever is later

(b) The treatment of section 49.472 (4) (b) (by SECTION 19) of the statutes first applies to premiums for the Medical Assistance purchase plan that are payable on January 1, 2015, or on the day after publication of the notice of approval of the

the effective date of this subsection

auto ref A

auto ref B

the effective date of this paragraph

**SECTION 9318**

*the effective date of this paragraph*

1 treatment of section 49.472 (4) (b) (by SECTION 19) of the statutes in the Wisconsin  
2 Administrative Register under SECTION 9118 (1) (a) of this act, whichever is later.

**SECTION 9418. Effective dates; Health Services**

4 (1) ELIGIBILITY AND PREMIUMS FOR THE MEDICAL ASSISTANCE PURCHASE PLAN. The  
5 treatment of section 49.472 (3) (a) and (f), (3m), (4) (a) (intro.), 1., 1m., 2. (intro.), 2m.,  
6 and 3. and (b) (by SECTION 18), and (5) of the statutes takes effect on January 1, 2014,  
7 or on the day after the applicable publication of the notice of approval in the  
8 Wisconsin Administrative Register under SECTION 9118 (1) (a) of this act, whichever  
9 is later.

10 (2) ELIGIBILITY FOR CERTAIN MEDICAL ASSISTANCE PROGRAMS. The treatment of  
11 sections 46.286 (1m), 46.46 (1) (em), 49.468 (1) (d), (1m) (b), and (2) (b), 49.47 (4) (b)  
12 (intro.), and 49.472 (3) (b) of the statutes and SECTION 9318 (2) of this act take effect  
13 on January 1, 2014.

14 (3) TERMINATION OF DEPARTMENT POLICIES. The treatment of section 49.472 (4)  
15 (b) (by SECTION 19) of the statutes takes effect on January 1, 2015, or on the day after  
16 publication of the notice of approval of the treatment of section 49.472 (4) (b) (by  
17 SECTION 19) of the statutes in the Wisconsin Administrative Register under SECTION  
18 9118 (1) (a) of this act, whichever is later.

(END)

*and SECTION (CS) (3) (b) of this act*

*auto ref c*

*- vote*

*for amendments*

*auto ref B*



ins 7-21 contd

g 150 percent

1

whose total net income, as calculated under sub. (3) (a), is below 150% of the poverty

2

line.

(END OF INSERT 7-21)

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

- fade -

LRB-0791/dn  
PJK:.....

SAE

PI  
r m w g r n

Please compare this draft with the changes to MAPP that are included in the budget bill. Many of them are the same or similar. Perhaps the changes in the budget bill will satisfy your needs, or perhaps you could introduce an amendment to the budget to accomplish what you need. Let me know if you need any changes to this draft.

The changes in this draft will have to be approved by the federal department of health and human services (DHHS) as an amendment to the state medical assistance plan. How do you want to accomplish that? See the complicated nonstatutory, initial applicability, and effective date provisions for the MAPP changes in the budget, requiring DHS to submit the changes to DHHS and tying the effective date to federal approval. In the budget, any change that is not approved by January 1, 2016, is void.

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: pam.kahler@legis.wisconsin.gov

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-0791/P1dn

PJK:sac:rs

February 22, 2013

Please compare this draft with the changes to MAPP that are included in the budget bill. Many of them are the same or similar. Perhaps the changes in the budget bill will satisfy your needs, or perhaps you could introduce an amendment to the budget to accomplish what you need. Let me know if you need any changes to this draft.

The changes in this draft will have to be approved by the federal department of health and human services (DHHS) as an amendment to the state medical assistance plan. How do you want to accomplish that? See the complicated nonstatutory, initial applicability, and effective date provisions for the MAPP changes in the budget, requiring DHS to submit the changes to DHHS and tying the effective date to federal approval. In the budget, any change that is not approved by January 1, 2016, is void.

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: [pam.kahler@legis.wisconsin.gov](mailto:pam.kahler@legis.wisconsin.gov)

Rep. Jacques

Jamie

① above 150% poverty level — keep plan as is

below 150% → <sup>\$ establish</sup> 25/monthly prem for everyone

② exclude unearned income for everyone

See p. 41 of report

## Kahler, Pam

---

**From:** Julian, Jamie  
**Sent:** Friday, December 06, 2013 11:43 AM  
**To:** Kahler, Pam  
**Subject:** FW: New Request for MAPP changes  
**Attachments:** MAPP Evaluation Report 2011-5-16-12.pdf

Hi:

Per our phone conversation just now we would like changes to the MAPP bill that will implement \$25 monthly premium for all participants – basically this will establish a minimum payment for anyone who does not currently qualify to make one based on their income according to the FPL. The premium structure for 150% + of the FPL can largely stay the same as current except that we would still **except/exclude unearned income**.

Assessing all MAPP participants a premium of \$25 per month regardless of whether the work performed was “in-kind” or paid employment would generate revenue for the program without having to change the definition of work or having current participants have to change from “in-kind” work to paid employment. For those individuals above the 150% FPL, the same premium structure as proposed in Rep. Jacque’s first version would stand for now.

See attached page 41.

Let me know if you have any questions. Please return a preliminary draft in case we need to make any adjustments to the premium structure for those over 150% of the FPL.

Thank you,

*Jamie Julian*

Office of Rep. André Jacque  
2<sup>nd</sup> Assembly District

Room 123 West  
State Capitol  
P.O. Box 8952  
Madison, WI 53709

(608) 266-9870

## Kahler, Pam

---

**From:** Julian, Jamie  
**Sent:** Friday, January 10, 2014 4:05 PM  
**To:** Kahler, Pam  
**Subject:** MAPP bill

Hello,

I just wanted to let you know we would like to finish the drafting on this in the near future so would like to chat at your convenience on Monday if possible to see where we are at and what questions you may still have. It came to light that the \$25 minimum premium may violate federal law/regs, but now it appears such a provision would not so I would like to answer any questions you may have remaining so you can return a newer draft for us to look at.

Thanks,

*Jamie Julian*

Office of Rep. André Jacque  
2<sup>nd</sup> Assembly District

Room 123 West  
State Capitol  
P.O. Box 8952  
Madison, WI 53709

(608) 266-9870

---

**From:** Kahler, Pam  
**Sent:** Friday, December 06, 2013 4:00 PM  
**To:** Julian, Jamie  
**Subject:** RE: New Request for MAPP changes

Jamie,

Here are the questions I have to clarify the drafting instructions:

1. Is the draft going to address only premiums, and therefore, are we disregarding unearned income only for purposes of determining the premium a person must pay? (This assumes that we keep unearned income in the other calculations, such as for eligibility.)
2. Does the monthly premium for a person with income of at least 150 FPL equal 3 percent of their *earned* income, with a minimum premium of \$25 (although I don't think it would ever be less than \$25)?
3. Does the monthly premium for a person with income of less than 150 FPL equal a flat \$25?
4. Do you want to keep DHS's authority to reduce the premium by 25 percent if the person has private health insurance? (See s. 49.472 (4) (a) 3.)
5. Do you want to keep subs. (5) and (6) in s. 49.472?

Thanks!  
Pam

---

**From:** Julian, Jamie  
**Sent:** Friday, December 06, 2013 12:00 PM  
**To:** Kahler, Pam  
**Subject:** RE: New Request for MAPP changes

No problem. Sorry if I wasn't clear on the phone – I admit this issue seems a bit complex to me. Thanks for helping – I think we have a much better idea where we are going now, so, hopefully the drafting won't be so confusing. Again, just let me know if I missed discussing anything with you that we need to consider.

*Jamie Julian*

Office of Rep. André Jacque  
2<sup>nd</sup> Assembly District

Room 123 West  
State Capitol  
P.O. Box 8952  
Madison, WI 53709

(608) 266-9870

---

**From:** Kahler, Pam  
**Sent:** Friday, December 06, 2013 11:48 AM  
**To:** Julian, Jamie  
**Subject:** RE: New Request for MAPP changes

Thanks, Jamie.

---

**From:** Julian, Jamie  
**Sent:** Friday, December 06, 2013 11:43 AM  
**To:** Kahler, Pam  
**Subject:** FW: New Request for MAPP changes

Hi:

Per our phone conversation just now we would like changes to the MAPP bill that will implement \$25 monthly premium for all participants – basically this will establish a minimum payment for anyone who does not currently qualify to make one based on their income according to the FPL. The premium structure for 150% + of the FPL can largely stay the same as current except that we would still **except/exclude unearned income**.

Assessing all MAPP participants a premium of \$25 per month regardless of whether the work performed was “in-kind” or paid employment would generate revenue for the program without having to change the definition of work or having current participants have to change from “in-kind” work to paid employment. For those individuals above the 150% FPL, the same premium structure as proposed in Rep. Jacque’s first version would stand for now.

See attached page 41.

Let me know if you have any questions. Please return a preliminary draft in case we need to make any adjustments to the premium structure for those over 150% of the FPL.

Thank you,

*Jamie Julian*

Office of Rep. André Jacque  
2<sup>nd</sup> Assembly District

Room 123 West  
State Capitol  
P.O. Box 8952  
Madison, WI 53709

(608) 266-9870

## Kahler, Pam

---

**From:** Julian, Jamie  
**Sent:** Friday, January 10, 2014 4:41 PM  
**To:** Kahler, Pam  
**Subject:** Answers to your MAPP bill Questions

Pam,

1. Is the draft going to address only premiums, and therefore, are we disregarding unearned income only for purposes of determining the premium a person must pay? (This assumes that we keep unearned income in the other calculations, such as for eligibility.)

I believe you are asking if unearned income is treated the same for both eligibility and the premium calculation? - The answer is yes (it is treated the same for both).

2. Does the monthly premium for a person with income of at least 150 FPL equal 3 percent of their *earned* income, with a minimum premium of \$25 (although I don't think it would ever be less than \$25)?

> ← For individual's whose income is at least 150 FPL, the premium payable is equal to 3% 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 – yes the minimum premium of \$25 applies to everyone of course this category of individuals would probably never pay less than \$25 thereby triggering this minimum payment provision

3. Does the monthly premium for a person with income of less than 150 FPL equal a flat \$25?  
Yes, the monthly premium for a person with total income less than 150 FPL equals a flat \$25
4. Do you want to keep DHS's authority to reduce the premium by 25 percent if the person has private health insurance? (See s. 49.472 (4) (a) 3.)
5. Do you want to keep subs. (5) and (6) in s. 49.472?

I will look into 4&5 for Monday

**Kahler, Pam**

---

**From:** Julian, Jamie  
**Sent:** Monday, January 13, 2014 2:09 PM  
**To:** Kahler, Pam  
**Subject:** MAPP

I will have some more concrete answers and additional drafting requests for the MAPP bill by mid next week. The Governor's Council for People with Disabilities (GCPD) has been discussing some additional changes to the program. I believe we do need some of our changes before page 7. Our timeline is to finish up drafting by the end of the month but it is not a high priority item.

Thank you,

*Jamie Julian*

Office of Rep. André Jacque  
2<sup>nd</sup> Assembly District

Room 123 West  
State Capitol  
P.O. Box 8952  
Madison, WI 53709

(608) 266-9870



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-0791/P2  
PJK:sac: [signature]

stays

r m is run

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

by Thurs, if possible  
(for a meeting on Friday)  
(in 1-14)  
[signature]

regenerate ↓

1 **AN ACT to repeal** 49.472 (4) (a) (intro.) and 49.472 (4) (a) 2m.; **to amend** 49.468

2 (1) (d), 49.468 (1m) (b), 49.468 (2) (b), 49.47 (4) (b) (intro.), 49.472 (1) (c), 49.472

3 (3) (a), 49.472 (3) (b), 49.472 (3) (f), 49.472 (4) (a) 2. (intro.), 49.472 (4) (a) 3.,

4 49.472 (4) (b) and 49.472 (5); **to repeal and recreate** 49.472 (4) (a) 1. and

5 49.472 (4) (b); and **to create** 46.286 (1m), 49.46 (1) (em) and 49.472 (4) (a) 1m.

6 of the statutes; **relating to:** eligibility for an premiums under the Medical

7 Assistance purchase plan <sup>and</sup> disregarding retirement benefits for purposes of

8 determining eligibility and cost-sharing requirements under a number of

9 Medical Assistance programs, and granting rule-making authority.

**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 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.

Premiums for MA coverage under MAPP 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, DHS is prohibited from assessing a premium to an individual whose earned and unearned income is below 150 percent of the poverty line for a family the size of the individual's family, and, in practice, DHS uses the individual's total earned and unearned income. 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 premium. The premium payable is 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. DHS is required to set, by rule, a minimum monthly premium amount of not less than \$25 and a maximum monthly premium amount of not more than \$400. The amounts must be affordable and cost-neutral for MAAP. *Insert A*

Finally, certain MA programs consider an individual's income and assets when determining eligibility and any cost-sharing requirements for the program. The bill requires DHS to exclude, to the extent approved by the federal government, independence accounts and retirement benefits that accumulated or were earned through employment income or employer contributions while the individual was employed and receiving MA coverage under MAPP when determining eligibility or cost-sharing requirements under various MA programs, including Family Care and MAPP, except that independence accounts are already excluded under current law with respect to MAPP.

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:*

x

1           **SECTION 1.** 46.286 (1m) of the statutes is created to read:

2           **46.286 (1m) INCOME AND ASSETS EXCLUDED.** For purposes of determining a  
3 person's financial eligibility under sub. (1) (b) and cost-sharing requirements under  
4 sub. (2), to the extent approved by the federal government, the department or its  
5 designee shall exclude any assets accumulated in an independence account, as  
6 defined in s. 49.472 (1) (c), and any income or assets from retirement benefits earned  
7 or accumulated from employment income or employer contributions while the person  
8 was employed and eligible for and receiving medical assistance under s. 49.472.

x

9           **SECTION 2.** 49.46 (1) (em) of the statutes is created to read:

10           **49.46 (1) (em)** For purposes of determining the eligibility and any cost-sharing  
11 requirements of an individual under par. (a) 6m., 14., or 14m., (d) 2., or (e), to the  
12 extent approved by the federal government, the department shall exclude any assets  
13 accumulated in an independence account, as defined in s. 49.472 (1) (c), and any  
14 income or assets from retirement benefits earned or accumulated from employment  
15 income or employer contributions while the individual was employed and eligible for  
16 and receiving medical assistance under s. 49.472.

x

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

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

1           <sup>x</sup>  
**SECTION 4.** 49.468 (1m) (b) of the statutes is amended to read:

2           49.468 (1m) (b) Benefits under par. (a) are available for an individual who has  
3 resources that are equal to or less than 200% of the allowable resources determined  
4 under 42 USC 1381 to 1385, excluding, to the extent approved by the federal  
5 government, any assets accumulated in an independence account, as defined in s.  
6 49.472 (1) (c), and any income or assets from retirement benefits earned or  
7 accumulated from income or employer contributions while the individual was  
8 employed and eligible for and receiving medical assistance under s. 49.472, and who  
9 has income that is greater than 100% of the poverty line but less than 120% of the  
10 poverty line.

11           <sup>x</sup>  
**SECTION 5.** 49.468 (2) (b) of the statutes is amended to read:

12           49.468 (2) (b) Benefits under par. (a) are available for an individual who has  
13 resources that are equal to or less than 200% of the allowable resources under 42  
14 USC 1381 to 1385, excluding, to the extent approved by the federal government, any  
15 assets accumulated in an independence account, as defined in s. 49.472 (1) (c), and  
16 any income or assets from retirement benefits earned or accumulated from income  
17 or employer contributions while the individual was employed and eligible for and  
18 receiving medical assistance under s. 49.472, and who has income that is equal to or  
19 less than 200% of the poverty line.

20           <sup>x</sup>  
**SECTION 6.** 49.47 (4) (b) (intro.) of the statutes is amended to read:

21           49.47 (4) (b) (intro.) Eligibility exists if the applicant's property, ~~subject to the~~  
22 ~~exclusion of~~ excluding any amounts under the Long-Term Care Partnership  
23 Program established under s. 49.45 (31), and, to the extent approved by the federal  
24 government, any amounts assets accumulated in an independence account, as  
25 defined in s. 49.472 (1) (c), ~~or~~ and any income or assets from retirement assets that

1 ~~accrued benefits earned or accumulated from employment income or employer~~  
2 ~~contributions while the applicant was employed and eligible for the community~~  
3 ~~options program under s. 46.27 (11), or any other Medical Assistance program,~~  
4 ~~including deferred compensation or the value of retirement accounts in the~~  
5 ~~Wisconsin Retirement System or under the federal Social Security Act and receiving~~  
6 ~~medical assistance under s. 49.472, does not exceed the following:~~

7 **SECTION 7.** 49.472 (1) (c) of the statutes is amended to read:

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

12 **SECTION 8.** 49.472 (3) (a) of the statutes is amended to read:

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

\*\*\*\*NOTE: I'm still not sure, based on the instructions, how to accomplish an  
"individualized threshold." Does the deduction of out-of-pocket medical and remedial  
expenses and long-term care costs accomplish this? Should anything else be deducted?  
Note that this deduction ~~is~~ included in the budget with a \$500 per month cap.

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

19 49.472 (3) (b) The individual's assets do not exceed \$15,000. In determining  
20 assets, the department may not include assets that are excluded from the resource  
21 calculation under 42 USC 1382b (a) ~~or~~; assets accumulated in an independence  
22 account; or, to the extent approved by the federal government, income or assets from  
23 retirement benefits earned or accumulated from income or employer contributions

\*

was ←

x

→ bio

1 while the individual was employed and eligible for and receiving medical assistance  
2 under this section. The department may exclude, in whole or in part, the value of a  
3 vehicle used by the individual for transportation to paid employment.

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

5 49.472 (3) (f) The individual, if required to pay a premium under sub. (4) (a)  
6 1., maintains premium payments calculated by the department in accordance with  
7 sub. (4), unless the individual is exempted from premium payments under sub. (4)  
8 (b) or (5).

9 SECTION 11. 49.472 (4) (a) (intro.) of the statutes is repealed.

Insert 6-9

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

11 49.472 (4) (a) 1. *Except as provided in subd. 3,* An individual who is eligible for medical assistance under sub.

12 (3) and receives medical assistance shall pay a monthly premium to the department

13 if the individual's *whose* total net income, as calculated under sub. (3) (a), is equal to at least

14 150 percent of the poverty line for an individual *shall pay a premium that is*

15 SECTION 13. 49.472 (4) (a) 1m. of the statutes is created to read:

16 49.472 (4) (a) 1m. *Except as provided in par. (b),* the premium required under

17 subd. 1. shall be equal to 3 percent of the individual's total earned and unearned

18 income, after the deductions specified in subd. 2.

19 SECTION 14. 49.472 (4) (a) 2. (intro.) of the statutes is amended to read:

20 49.472 (4) (a) 2. (intro.) In determining an individual's total earned and

21 unearned income under subd. <sup>plain</sup> 1. (1m), the department shall disregard all of the

22 following: *for purposes of determining the premium*

23 SECTION 15. 49.472 (4) (a) 2m. of the statutes is repealed.

24 SECTION 16. 49.472 (4) (a) 3. of the statutes is amended to read:

1 49.472 (4) (a) 3. <sup>plain</sup> The Subject to par. (b), the department may reduce the  
 2 premium <sup>strike</sup> ~~by 25%~~ 25 percent for an individual who is covered by private health  
 3 insurance. determined under subd. 1. by

4 **SECTION 17.** 49.472 (4) (b) of the statutes is amended to read:  
 5 49.472 (4) (b) The department ~~may waive monthly premiums that are~~  
 6 ~~calculated to be below \$10 per month shall, by rule, set a minimum monthly premium~~  
 7 ~~amount of not less than \$25 and a maximum monthly premium amount of not more~~  
 8 ~~than \$400. The department shall set the amounts in such a way that they are~~  
 9 ~~affordable for eligible individuals and cost-neutral for the program under this~~  
 10 ~~section.~~ Unless otherwise provided by the department by a policy created under s.  
 11 49.45 (2m) (c), the department may not assess a monthly premium for any individual  
 12 whose income level, ~~after adding the individual's earned income and unearned~~  
 13 ~~income total net income, as calculated under sub. (3) (a), is below 150% of the poverty~~  
 14 ~~line.~~

15 **SECTION 18.** 49.472 (4) (b) of the statutes, as affected by 2011 Wisconsin Act 32  
 16 and 2013 Wisconsin Act .... (this act) <sup>section 1462h</sup> is repealed and recreated to read:

17 49.472 (4) (b) The department shall, by rule, set a minimum monthly premium  
 18 amount of not less than \$25 and a maximum monthly premium amount of not more  
 19 than \$400. The department shall set the amounts in such a way that they are  
 20 affordable for eligible individuals and cost-neutral for the program under this  
 21 section. The department may not assess a monthly premium for any individual  
 22 whose total net income, as calculated under sub. (3) (a), is below 150% of the poverty  
 23 line.

24 **SECTION 19.** 49.472 (5) of the statutes is amended to read:

*Insert 7-23*

1           49.472 (5) COMMUNITY OPTIONS PARTICIPANTS. From the appropriation under s.  
2           20.435 (7) (bd), the department may pay all or a portion of the monthly premium  
3           calculated under sub. (4) (a) for an individual who is a participant in the community  
4           options program under s. 46.27 (11).

5           **SECTION 20. Initial applicability.**

6           (1) ELIGIBILITY FOR THE MEDICAL ASSISTANCE PURCHASE PLAN. The treatment of  
7           section 49.472 (3) (a) and (f) of the statutes first applies to individuals who apply for  
8           the Medical Assistance purchase plan, or whose continued eligibility for the Medical  
9           Assistance purchase plan is reviewed, on the effective date of this subsection.

10          (2) ELIGIBILITY FOR CERTAIN MEDICAL ASSISTANCE PROGRAMS.

11          (a) *Family care.* The treatment of section 46.286 (1m) of the statutes first  
12          applies to individuals who apply for the family care benefit, or whose continued  
13          eligibility for the family care benefit is reviewed, on the effective date of this  
14          paragraph.

15          (b) *Medical Assistance.* The treatment of sections 49.46 (1) (em), 49.47 (4) (b)  
16          (intro.), and 49.472 (3) (b) of the statutes first applies to individuals who apply for  
17          Medical Assistance or the Medical Assistance purchase plan, or whose continued  
18          eligibility for Medical Assistance or the Medical Assistance purchase plan is  
19          reviewed, on the effective date of this paragraph.

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

24

(3) PREMIUMS FOR THE MEDICAL ASSISTANCE PURCHASE PLAN.

Insert 8-24  
(see next page)

*lines 1 to 4 are  
insert 8-24*

*change  
component*

① → (a) <sup>no 9</sup> The treatment of section 49.472 (4) (a) (intro.), 1., 1m., 2. (intro.), 2m., and  
 ② 3. and (b) (by SECTION 17) and (5) of the statutes first applies to premiums for the  
 3 Medical Assistance purchase plan that are payable on the effective date of this  
 ④ 2 paragraph → *subsection*

5 (b) The treatment of section 49.472 (4) (b) (by SECTION 18) of the statutes first  
 6 applies to premiums for the Medical Assistance purchase plan that are payable on  
 7 the effective date of this paragraph.

**SECTION 21. Effective date.**

9 (1) TERMINATION OF DEPARTMENT POLICIES. The treatment of section 49.472 (4)  
 10 (b) (by SECTION 18) of the statutes and SECTION 20 (3) (b) of this act take effect on  
 11 January 1, 2015.

12

(END)

*D - note*