State of Wisconsin
2013 – 2014 LEGISLATURE

LRB–1096/2
PJK:sac&eev:jf

DOA:.....Iwata, BB0356 – Reducing work disincentives under MAPP

FOR 2013–2015 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

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

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:

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

2 46.286 **(1m)** ASSETS EXCLUDED. For purposes of determining a person's financial

3 eligibility under sub. (1) (b) and cost–sharing requirements under sub. (2), to the

(CS) Income and

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

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

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

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

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

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

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

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

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

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

Insert 4-15

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

49.472 **(3)** (a) The individual's ~~family's~~ and his or her spouse's total net earned and unearned income is less than 250% of the poverty line for a family the size of the individual's family. ~~In~~ For purposes of calculating the net earned and unearned income, the department shall apply all of the exclusions specified under 42 USC 1382a (b) under this paragraph and shall exclude up to $500 per month of the individual's out–of–pocket medical and remedial expenses and long–term care costs, if any.

Insert 4-20

SECTION 7. 49.472 (3) (b) of the statutes is amended to read:

49.472 **(3)** (b) The individual's assets do not exceed $15,000. In determining assets, the department may not include assets that are excluded from the resource

calculation under 42 USC 1382b (a) ~~or~~; assets accumulated in an independence account; or, to the extent approved by the federal government, retirement benefits earned or accumulated from income or employer contributions while the individual was employed and eligible for and receiving medical assistance under this section. The department may exclude, in whole or in part, the value of a vehicle used by the individual for transportation to paid employment.

income or assets from

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

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

SECTION 9. 49.472 (3m) of the statutes is created to read:

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

paid or withheld

SECTION 10. 49.472 (4) (a) (intro.) of the statutes is repealed.

SECTION 11. 49.472 (4) (a) 1. of the statutes is repealed and recreated to read:

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

SECTION 12. 49.472 (4) (a) 1m. of the statutes is created to read:

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

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

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

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

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

49.472 **(4)** (a) 3. ~~The~~ Subject to par. (b), the department may reduce the premium by 25% for an individual who is covered by private health insurance.

SECTION 16. 49.472 (4) (b) of the statutes is amended to read:

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

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

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

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

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

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

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

8 (a) *Notification of federal approval.* The department of health services shall
9 request from the federal government approval of the treatment of section 49.472 (3)
10 (a) and (f), (3m), (4) (a) (intro.), 1., 1m., 2. (intro.), 2m., and 3. and (b) (by SECTIONS
11 16 and 17), and (5) of the statutes by this act, and shall notify the legislative reference
12 bureau when each provision is approved. The legislative reference bureau shall
13 publish each notice in the Wisconsin Administrative Register.

14 (b) *Void provisions.*

15 1. Notwithstanding SECTION 9418 (1) of this act, if, by January 1, 2015, the
16 department of health services has not notified the legislative reference bureau under
17 paragraph (a) that federal approval has been given with respect to the treatment of
18 section 49.472 (4) (b) (by SECTION 16) of the statutes by this act, that treatment is void.

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

24 **SECTION 9318. Initial applicability; Health Services.**

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

(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) 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 16) 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 17) 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 treatment of section 49.472 (4) (b) (by SECTION 17) of the statutes in the Wisconsin Administrative Register under SECTION 9118 (1) (a) of this act, whichever is later.

SECTION 9418. Effective dates; Health Services.

(1) ELIGIBILITY AND PREMIUMS FOR THE MEDICAL ASSISTANCE PURCHASE PLAN. The treatment of section 49.472 (3) (a) and (f), (3m), (4) (a) (intro.), 1., 1m., 2. (intro.), 2m., and 3. and (b) (by SECTION 16), and (5) of the statutes takes effect 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.

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

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

(END)

INSERT 4–15

SECTION ~~1.~~ 49.47 (4) (b) (intro.) of the statutes is amended to read:

49.47 **(4)** (b) (intro.) Eligibility exists if the applicant's property, ~~subject to the exclusion of~~ excluding any amounts under the Long–Term Care Partnership Program established under s. 49.45 (31)~~,~~ and, to the extent approved by the federal government, any ~~amounts~~ assets accumulated in an independence account, as defined in s. 49.472 (1) (c), ~~or~~ and any income or assets from retirement ~~assets that accrued~~ benefits earned or accumulated from ~~employment~~ income or employer contributions while the applicant was employed and eligible for ~~the community options program under s. 46.27 (11), or any other Medical Assistance program, including deferred compensation or the value of retirement accounts in the Wisconsin Retirement System or under the federal Social Security Act~~ and receiving medical assistance under s. 49.472, does not exceed the following:

History: 1971 c. 125; 1971 c. 213 s. 5; 1971 c. 215; 1973 c. 90, 147, 333; 1977 c. 29 ss. 593, 1656 (18); 1977 c. 105 s. 59; 1977 c. 273, 418; 1979 c. 34; 1981 c. 20, 93; 1981 c. 314 s. 144; 1983 a. 27, 245; 1985 a. 29; 1987 a. 27, 307, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1462k to 1466d, 2909c to 2909i; 1989 a. 173, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 269, 277, 437; 1995 a. 27 ss. 3026 to 3028, 9126 (19); 1995 a. 225, 289, 295; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2005 a. 25, 253; 2007 a. 11, a. 20 ss. 1596 to 1604, 9121 (6) (a); 2009 a. 28, 180; 2011 a. 10, 32.

SECTION ~~2.~~ 49.472 (1) (c) of the statutes is amended to read:

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

History: 1999 a. 9, 185; 2001 a. 16; 2003 a. 33; 2009 a. 2; 2011 a. 10, 32.

(END OF INSERT 4–15)

INSERT 4–20

Ins 4-20

1 NOTE , except that exclusions applied under 42 USC 1382a (b) (4) to earned income

2 shall also be applied to unearned income,

(END OF INSERT 4-20)

3

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB–1096/2dn
PJK:...
WLj

Date

As I explained by email, the delayed effective date of the *second* treatment of s. 49.472 (4) (b) should be January 1, 2015, because that is the delayed effective date of that provision under 2011 Act 32. I must address both the new changes in this draft (effective date January 1, 2014, or the date of federal approval, if later) and the changes from 2011 Act 32 that do not go into effect until January 1, 2015.

As I also explained, the exclusions for independence accounts and retirement benefits are not treated in the same way, with respect to effective dates and notification of approval and voiding if not approved by January 1, 2016. That is because they have an in–text applicability, i.e., to the extent approved by the federal government. This language applies from the effective date on. Federal approval of all of these treatments, as well as of the treatments of the other sections, are independent of each other.

Although the language in current law s. 49.47 (4) (b) has been in effect, I added "to the extent approved by the federal government." The draft does make a substantive change, which may need approval, but if the approval language is not needed, it doesn't hurt to have it there.

(3)(a)

See how I amended s. 49.472 to clarify that the deductions only apply to calculating net income for eligibility. *

I did not add the change to the definition of "independence account" to any delayed effective date or initial applicability because I think the change can apply immediately.

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–1096/2dn
PJK:wlj:ph

February 8, 2013

As I explained by email, the delayed effective date of the *second* treatment of s. 49.472 (4) (b) should be January 1, 2015, because that is the delayed effective date of that provision under 2011 Act 32. I must address both the new changes in this draft (effective date January 1, 2014, or the date of federal approval, if later) and the changes from 2011 Act 32 that do not go into effect until January 1, 2015.

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Although the language in current law s. 49.47 (4) (b) has been in effect, I added "to the extent approved by the federal government." The draft does make a substantive change, which may need approval, but if the approval language is not needed, it doesn't hurt to have it there.

See how I amended s. 49.472 (3) (a) to clarify that the deductions apply only to calculating net income for eligibility.

I did not add the change to the definition of "independence account" to any delayed effective date or initial applicability because I think the change can apply immediately.

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

Kahler, Pam

From: Iwata, Yuko - DOA <Yuko.Iwata@wisconsin.gov>
Sent: Monday, February 11, 2013 9:56 PM
To: Kahler, Pam
Cc: Gauger, Michelle C - DOA
Subject: FW: stat language drafts

Hi Pam,

DHS has one more editorial suggestion for your MAPP draft, if it is still possible for you to incorporate.

Thanks,

Yuko Iwata
Executive Policy and Budget Analyst
Division of Executive Budget and Finance
Department of Administration
(608) 267 – 7980

From: Forsaith, Andrew C - DHS
Sent: Monday, February 11, 2013 5:46 PM
To: Rosen, Lara K - DHS; Iwata, Yuko - DOA
Subject: RE: stat language drafts

I apologize – one additional comment came in regarding the MAPP draft after Lara sent her email. It would be helpful to make this one last change, if it's possible.

****
Sorry, but we realized that our earlier wording suggestion for what is now Section 8 could be interpreted as applying $65 & ½ deduction to the earned income and then to the unearned income which would double the $65 disregard. If it's not too much trouble, we're thinking the following changes would be better: (Shelley, Could you please look this over and make sure I'm not making another mistake.)

> "...except that exclusions applied under 42 USC 1382a (b) (4) to earned income shall ~~also~~ be applied to <u>earned and</u> unearned income <u>combined</u>, and shall exclude up to $500 per month of the individual's out-of-pocket medical and remedial expenses and long-term care costs, if any."

From: Rosen, Lara K - DHS
Sent: Monday, February 11, 2013 5:01 PM
To: Iwata, Yuko - DOA; Forsaith, Andrew C - DHS
Subject: RE: stat language drafts

We approve the MAPP draft without further comment.

Thanks,
Lara

From: Iwata, Yuko - DOA
Sent: Monday, February 11, 2013 3:28 PM
To: Forsaith, Andrew C - DHS; Rosen, Lara K - DHS
Subject: stat language drafts

Andy and Lara,

Please get back to me today with your comments/approval on the drafts still pending (codify act 32 reforms (0479), combined draft (1485), MAPP (1096)).

Thanks,

Yuko Iwata
Executive Policy and Budget Analyst
Division of Executive Budget and Finance
Department of Administration
(608) 267 – 7980

State of Wisconsin
2013 – 2014 LEGISLATURE

LRB–1096/3
PJK:sac/eev/wlj:pb

DOA:.....Iwata, BB0356 – Reducing work disincentives under MAPP

FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ..; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

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

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:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

earned and

combined

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

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

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

2 49.472 **(3)** (f) The individual, if required to pay a premium under sub. (4) (a)
3 1., maintains premium payments calculated ~~by the department~~ in accordance with
4 sub. (4), unless the individual is exempted from premium payments under sub. ~~(4)~~
5 ~~(b) or~~ (5).

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

7 49.472 **(3m)** VERIFYING INCOME. The department shall verify income from work
8 activity under sub. (3) (a) and (g) through documentation provided by the individual.
9 The department shall require that, for an individual to be engaged in gainful
10 employment under sub. (3) (g), the individual must be working and paying, or having
11 withheld, federal social security and Medicare taxes and other applicable state or
12 federal income taxes. The department shall require that the individual provide
13 documentation of the taxes paid or withheld.

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

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

16 49.472 **(4)** (a) 1. An individual who is eligible for medical assistance under sub.
17 (3) and receives medical assistance shall pay a monthly premium to the department
18 if the individual's total earned and unearned income is equal to at least 150 percent
19 of the poverty line for an individual.

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

21 49.472 **(4)** (a) 1m. Except as provided in par. (b), the premium required under
22 subd. 1. shall be equal to 3 percent of the individual's total earned and unearned
23 income, after the deductions specified in subd. 2., rounded down to the nearest $25.

24 **SECTION 15.** 49.472 (4) (a) 2. (intro.) of the statutes is amended to read:

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

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

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

49.472 **(4)** (a) 3. ~~The~~ Subject to par. (b), the department may reduce the premium by 25% for an individual who is covered by private health insurance.

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

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

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

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

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

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

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

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

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

9 (b) *Void provisions.*

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

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

19 **SECTION 9318. Initial applicability; Health Services.**

20 (1) ELIGIBILITY FOR THE MEDICAL ASSISTANCE PURCHASE PLAN. The treatment of
21 section 49.472 (3) (a) and (f) and (3m) of the statutes first applies to individuals who
22 apply for the Medical Assistance purchase plan, or whose continued eligibility for the
23 Medical Assistance purchase plan is reviewed, on January 1, 2014, or on the day after
24 the applicable publication of the notice of approval in the Wisconsin Administrative
25 Register under SECTION 9118 (1) (a) of this act, whichever is later.

1 (2) ELIGIBILITY FOR CERTAIN MEDICAL ASSISTANCE PROGRAMS.

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

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

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

15 (3) PREMIUMS FOR THE MEDICAL ASSISTANCE PURCHASE PLAN.

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

21 (b) The treatment of section 49.472 (4) (b) (by SECTION 19) of the statutes first
22 applies to premiums for the Medical Assistance purchase plan that are payable on
23 January 1, 2015, or on the day after publication of the notice of approval of the
24 treatment of section 49.472 (4) (b) (by SECTION 19) of the statutes in the Wisconsin
25 Administrative Register under SECTION 9118 (1) (a) of this act, whichever is later.

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

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

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

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

17 **(END)**

State of Wisconsin
2013 – 2014 LEGISLATURE

LRB–1096/3
PJK:sac/eev/wlj:ph

DOA:.....Iwata, BB0356 – Reducing work disincentives under MAPP

FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

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

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:

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

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<u>, excluding, to the extent approved by the</u>
18 <u>federal government, any assets accumulated in an independence account, as defined</u>
19 <u>in s. 49.472 (1) (c), and any income or assets from retirement benefits earned or</u>
20 <u>accumulated from income or employer contributions while the individual was</u>
21 <u>employed and eligible for and receiving medical assistance under s. 49.472,</u> and <u>who</u>
22 <u>has</u> 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

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

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

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

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

49.47 **(4)** (b) (intro.) Eligibility exists if the applicant's property, ~~subject to the exclusion of~~ excluding any amounts under the Long–Term Care Partnership Program established under s. 49.45 (31)~~,~~ and, to the extent approved by the federal government, any ~~amounts~~ assets accumulated in an independence account, as defined in s. 49.472 (1) (c), ~~or~~ and any income or assets from retirement ~~assets that accrued~~ benefits earned or accumulated from ~~employment~~ income or employer contributions while the applicant was employed and eligible for ~~the community 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% 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

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

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

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

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

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

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

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

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

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

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

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% for an individual who is covered by private health insurance.

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

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.

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:

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

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

SECTION 9118. Nonstatutory provisions; Health Services.

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

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

(b) *Void provisions.*

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

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

SECTION 9318. Initial applicability; Health Services.

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

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

3 (2) ELIGIBILITY FOR CERTAIN MEDICAL ASSISTANCE PROGRAMS.

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

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

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

17 (3) PREMIUMS FOR THE MEDICAL ASSISTANCE PURCHASE PLAN.

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

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

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.

3 **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.

19 **(END)**