



State of Wisconsin  
1999 - 2000 LEGISLATURE

~~SECRET~~ (D-NOTE)

LRB-02664M p2  
TAY&PJK:wlj&kmg:lp

RMR

DOA:.....Fossum - Pathways to independence  
FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

Due [Signature]  
Fri, 1/22

DO NOT  
GENCAT

1 AN ACT ..., relating to: the budget.

**Analysis by the Legislative Reference Bureau**

**HEALTH AND HUMAN SERVICES**

**MEDICAL ASSISTANCE**

Under current law, a person is eligible for medical assistance (MA) if the person meets certain income and asset limits and other nonfinancial criteria. Certain people are eligible for MA because of substantial medical needs that consume so much of their income as to qualify them as "low-income". This category of MA recipient is commonly referred to as "medically needy". Other people are eligible for MA by virtue of their receipt of other federal assistance, such as supplemental security income (SSI). This category of people is commonly referred to as "categorically needy".

This bill directs the department of health and family services (DHFS) to seek federal approval of an amendment to the state MA plan and to request any necessary waivers from the secretary of the federal department of health and human services and from the commissioner of the social security administration to expand MA eligibility to disabled persons who would qualify for SSI but for excess income and assets. Under the bill, a disabled person whose family's income is less than 250% of the federal poverty line and whose assets do not exceed \$20,000 is eligible to receive MA if the person pays a monthly premium and a one-time initial premium (buy-in) established by DHFS. The bill directs DHFS, however, to pay the monthly premium for a person who is eligible for the buy-in and who is receiving services under the

purchase plan

purchase plan

community options program (COP). The bill also authorizes DHFS to pay for that person's one-time entry premium.

**OTHER HEALTH AND HUMAN SERVICES**

The health insurance risk-sharing plan (HIRSP) under current law, which is administered primarily by DHFS, provides major medical health insurance coverage for persons who are covered under medicare because they are disabled, persons who have tested positive for HIV and persons who have been refused coverage, or coverage at an affordable price, in the private health insurance market because of their mental or physical health condition. Also eligible for coverage are persons (called "eligible individuals") who do not currently have health insurance coverage, but who were covered under certain types of health insurance coverage for at least 18 months in the past. Persons who are eligible for MA are not eligible for HIRSP. If a person with coverage under HIRSP terminates the coverage, the person may not be reenrolled in HIRSP for 12 months after terminating the coverage, unless the termination is due to eligibility for MA. *The bill provides that if a*

no new  
H

Under the bill, a person with coverage under HIRSP who becomes eligible for MA by reason of the amendment to MA that is established under the bill for disabled persons with incomes too high for SSI may receive MA without losing HIRSP eligibility. If the person chooses to receive MA, his or her HIRSP coverage is merely suspended and he or she does not pay any premiums or deductibles to HIRSP during the time that he or she receives MA. If the person, or any person who has the MA coverage established in the bill and who had coverage under HIRSP within *three* months of applying for the MA coverage, terminates or loses eligibility for the MA coverage, the person is eligible for immediate reenrollment in HIRSP, without the 12-month waiting period or any preexisting condition limitation or exclusion. *Basically, DHFS*

*must transfer from two general purpose revenue appropriations for HIRSP to an appropriation that pays MA benefits the amount that would have been paid under HIRSP in the previous year for health care costs and premium and deductible subsidies on behalf of all of the persons with coverage under HIRSP who receive MA in that year, minus the amount that all of those persons would have paid to HIRSP in premiums and deductibles.*

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. 20.435 (5) (af) of the statutes is amended to read:
- 2 20.435 (5) (af) *Health insurance risk-sharing plan; costs.* The amounts in the
- 3 schedule for paying a portion of the operating costs of the health insurance
- 4 risk-sharing plan under ch. 149 and for making the transfer under s. 149.167.

*as long as the person continues to satisfy all other HIRSP eligibility requirements*

1           **SECTION 2.** 20.435 (5) (ah) of the statutes is amended to read:

2           20.435 (5) (ah) *Health insurance risk-sharing plan; premium and deductible*  
3 *reduction subsidy.* Biennially, the amounts in the schedule for the purpose of  
4 subsidizing premium reductions under s. 149.165 and deductible reductions under  
5 s. 149.14 (5) (a) ~~and for making the transfer under s. 149.167.~~

6           **SECTION 3.** 20.435 (5) (b) of the statutes is amended to read:

7           20.435 (5) (b) *Medical assistance program benefits.* Biennially, the amounts in  
8 the schedule to provide the state share of medical assistance program benefits  
9 administered under s. 49.45, to provide medical assistance program benefits  
10 administered under s. 49.45 that are not also provided under par. (o), ~~to pay~~  
11 ~~premiums under s. 49.472 (6) and to fund the pilot project under s. 46.27 (9) and (10).~~  
12 Notwithstanding s. 20.002 (1), the department may transfer from this appropriation  
13 to the appropriation under sub. (7) ~~(kb)~~ funds in the amount of and for the purposes  
14 specified in s. 46.485. Notwithstanding ss. 20.001 (3) (b) and 20.002 (1), the  
15 department may credit or deposit into this appropriation and may transfer between  
16 fiscal years funds that it transfers from the appropriation under sub. (7) (kb) for the  
17 purposes specified in s. 46.485 (3r). Notwithstanding s. 20.002 (1), the department  
18 may transfer from this appropriation to the appropriation account under sub. (7) (bd)  
19 funds in the amount and for the purposes specified in s. 49.45 (6v).

20           **SECTION 4.** 20.435 (5) (kp) of the statutes is created to read:

21           20.435 (5) (kp) *Medical assistance benefits; transfer from the health insurance*  
22 *risk-sharing plan.* All moneys transferred under s. 149.167 from the appropriation  
23 accounts under pars. (af) and (ah), for the purpose of providing the state share of  
24 medical assistance program benefits administered under s. 49.45, for providing

1 medical assistance program benefits administered under s. 49.45 that are not also  
2 provided under par. (o) and for funding the pilot project under s. 46.27 (9) and (10).

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

3 SECTION 5. 20.435 (7) (bd) of the statutes is amended to read:

4 20.435 (7) (bd) *Community options program and long-term support pilot*  
5 *projects.* The amounts in the schedule for assessments, case planning, services and  
6 administration under s. 46.27 and, for pilot projects under s. 46.271 (1) and for the  
7 payment of premiums under s. 49.472 (5), and the amounts carried forward under  
8 1997 Wisconsin Act 27, section 9123 (2), for the pilot project under s. 46.271 (2m).  
9 If the department transfers funds to this appropriation from the appropriation  
10 account under sub. (5) (b), the amounts in the schedule for the fiscal year for which  
11 the transfer is made are increased by the amount of the transfer for the purposes  
12 specified in s. 49.45 (6v). Notwithstanding ss. 20.001 (3) (a) and 20.002 (1), the  
13 department may under this paragraph transfer moneys between fiscal years. Except  
14 for moneys authorized for transfer under this appropriation, under s. 46.27 (7) (fm)  
15 or (g) or under 1997 Wisconsin Act 27, section 9123 (2), all moneys under this  
16 appropriation that are allocated under s. 46.27 and are not spent or encumbered by  
17 counties or by the department by December 31 of each year shall lapse to the general  
18 fund on the succeeding January 1 unless transferred to the next calendar year by the  
19 joint committee on finance.

20 SECTION 6. 46.27 (6u) (c) 2. of the statutes is amended to read:

21 46.27 (6u) (c) 2. For a person who is determined to be financially eligible under  
22 subd. 1. calculate, by use of the uniform fee system under s. 46.03 (18), the amount  
23 of cost sharing required for receipt of long-term community support services

1 provided under sub. (5) (b). The county department or aging unit shall require  
 2 payment by the person of 100% of the amount calculated under this subdivision,  
 3 unless the person pays the premiums established under s. 49.472 (4) (a). If the  
 4 person pays those premiums, the county department or aging unit may not require  
 5 any payment from the person under this subdivision.

6 SECTION 7. 49.43 (8) of the statutes is amended to read:

7 49.43 (8) "Medical assistance" means any services or items under ss. 49.45 to  
 8 49.47 49.472, except s. 49.472 (6), and under ss. 49.49 to 49.497, or any payment or  
 9 reimbursement made for such services or items.

10 SECTION 8. 49.472 of the statutes is created to read:

11 <sup>purchase plan (B)</sup> **49.472 Medical assistance law.** (1) DEFINITIONS. In this section:  
 (a) "earned income" has the meaning given in 42 USC 1382a(a)(1). number

12 <sup>(A)</sup> "Health insurance" means surgical, medical, hospital, major medical or  
 13 other health service coverage, including a self-insured health plan, but does not  
 14 include hospital indemnity policies or ancillary coverages such as income  
 15 continuation, loss of time or accident benefits.

16 <sup>(B)</sup> "Independence account" means an account approved by the department  
 17 that consists solely of savings, and dividends or other gains derived from those  
 18 savings, from income earned from paid employment after the initial date that an  
 19 individual began receiving medical assistance under this section.

20 <sup>(C)</sup> "Medical assistance ~~plan~~ <sup>purchase plan</sup>" means ~~a category of~~ <sup>a category of</sup> medical assistance,  
 21 eligibility ~~which~~ <sup>for which</sup> is determined under this section.

22 <sup>(D)</sup> "Unearned income" has the meaning given in 42 USC 1382a(a)(2).  
 (2) WAIVERS AND AMENDMENTS. The department shall submit to the federal

23 department of health and human services an amendment to the state medical  
 24 assistance plan, and shall request any necessary waivers from the secretary of the  
 25 federal department of health and human services, to permit the department to

1 expand medical assistance eligibility as provided in this section. If the state plan  
2 amendment and all necessary waivers are approved and in effect, the department  
3 shall implement the medical assistance eligibility expansion under this section not  
4 later than January 1, 2000, or 3 months after full federal approval, whichever is  
5 later.

6 (3) ELIGIBILITY. Except as provided in sub. (6) (a), an individual is eligible for  
7 and shall receive medical assistance under this section if all of the following  
8 conditions are met:

9 (a) <sup>individual's</sup> The net income <sup>including income that would be deemed to the individual under</sup> of the individual's family is less than 250% of the poverty  
10 line for a family the size of the individual's family. <sup>20 C.F.R. 416.1160</sup> After the first 18 months of

11 administration of this section, the department may set a higher income level if the  
12 department has determined that a higher level would be cost-effective and has  
13 received assurance of continued federal financial participation from the federal  
14 government at that higher level. In calculating the net income, the department shall

15 disregard the income specified under 42 USC 1382a (b).

16 (b) The individual's assets do not exceed \$20,000. In determining assets, the  
17 department may not include assets that are excluded from the resource calculation  
18 under 42 USC 1382b (a) or assets accumulated in an independence account. The

19 department may also exclude from the asset calculation, in whole or in part, the  
20 value of a vehicle used by the individual for transportation to paid employment.  
21 After the first 18 months of administration of this section, the department may set  
22 a higher asset level if the department has determined that a higher level would be  
23 cost-effective and has received assurance from the federal government of federal  
24 financial participation.

42 USC 1382c(a)(3), except that  
the individual may be able to obtain  
substantial gainful employment

1 (c) The individual would be considered to be receiving supplemental security  
2 income for purposes of receiving medical assistance but for earnings in excess of the  
3 limit established under 42 USC 1396d (q) (2) (B).

4 (d) The individual is physically disabled, as defined in ~~42 USC 1396d~~.

5 (e) The individual is legally able to work in all employment settings without  
6 a permit under s. 103.70.

7 (f) The individual maintains premium payments calculated by the department  
8 in accordance with sub. (4), unless the individual is exempted from premium  
9 payments under sub. (4) (b) <sup>or (c)</sup> or (5).

10 ~~(g)~~ The individual meets all other requirements established by the department  
11 by rule.

12 (4) PREMIUMS. (a) Except as provided in par. (b) and sub. (5), an individual who  
13 is eligible for medical assistance under sub. (3) and receives medical assistance shall  
14 pay a monthly premium to the department. The department shall establish the  
15 monthly premiums by rule in accordance with the following guidelines:

- 16 1. The premium for any individual may not exceed the sum of the following:
- 17 a. Three and one-half percent of the individual's earned income.
- 18 b. One hundred percent of the individual's unearned income.
- 19 2. The department shall reduce the premium by 25% for an individual who is
- 20 covered by private health insurance.

21 (b) The department may waive monthly premiums that are calculated to be  
22 below \$10 per month.

23 (c) The department shall assess a one-time entry premium based on a sliding  
24 scale established by the department by rule and according to an individual's gross  
25 income. In calculating an individual's gross income, the department may treat

~~(g)~~ The individual is engaged in <sup>gainful</sup> ~~paid~~ employment or is participating in a program  
that is certified by the department to provide health and employment  
services that are aimed at helping the individual achieve employment goals

1 earned and unearned income differently. The department may waive all or part of  
2 the entry premium for an individual if the department determines that any of the  
3 following is true:

4 1. Assessment of the premium would impose an undue hardship on the  
5 individual.

6 2. Assessment of the premium would reduce the cost-effectiveness of the  
7 medical assistance ~~pay in under this section~~ *purchase plan*

8 (5) COMMUNITY OPTIONS PARTICIPANTS. From the appropriation under s. 20.435  
9 (7) (bd), the department shall pay the entry premium established under sub. (4) (c),  
10 and may pay the monthly premium calculated under sub. (4) (a), for an individual  
11 who is a participant in the community options program under s. 46.27 (11). No  
12 individual who is a participant in the community options program under s. 46.27 (11)  
13 may be required to pay a monthly premium calculated under sub. (4) (a) if the  
14 individual pays the amount calculated under s. 46.27 (6u) (c) 2.

15 (6) INSURED PERSONS. (a) Notwithstanding sub. (4) (a) 2., from the  
16 appropriation under s. 20.435 (5) (b), the department shall, on the part of an  
17 individual who is eligible for medical assistance under sub. (3), pay premiums for or  
18 purchase individual coverage offered by the individual's employer if the department  
19 determines that paying the premiums for or purchasing the coverage will not be more  
20 costly than providing medical assistance.

21 (b) ~~From~~ *If Federal financial participation is available,* from the appropriation under s. 20.435 (5) (b), the department shall pay  
22 medicare Part A and Part B premiums for individuals who are eligible for medicare  
23 and for medical assistance under sub. (3).

24 (7) DEPARTMENT DUTIES. The department shall do all of the following:



Purchase plan

with a  
or tribal governing body

- 1 (a) Determine eligibility, or contract with a county department, as defined in
- 2 49.45 (6c) (a) 3., to determine eligibility, of individuals for the medical assistance
- 3 ~~buy-in~~ in accordance with sub. (3). *that the*
- 4 ~~(b) Notwithstanding s. 49.45 (6), establish by rule an appeal and grievance~~
- 5 ~~procedure under the medical assistance buy-in.~~
- 6 (c) Ensure, to the extent practicable, continuity of care for a medical assistance
- 7 recipient under this section who is engaged in paid employment and who becomes
- 8 ineligible for medical assistance.

9 SECTION 9. 149.12 (2) (b) 1. of the statutes is amended to read:

10 149.12 (2) (b) 1. Except as provided in subd. 2. and in sub. (4), no person who

11 is covered under the plan and who voluntarily terminates the coverage under the

12 plan is again eligible for coverage unless 12 months have elapsed since the person's

13 latest voluntary termination of coverage under the plan.

14 SECTION 10. 149.12 (2) (f) of the statutes is amended to read:

15 149.12 (2) (f). ~~No~~ Except for a person who is eligible for medical assistance under

16 s. 49.472, no person who is eligible for medical assistance is eligible for coverage

17 under the plan.

18 SECTION 11. 149.12 (3) (br) of the statutes is created to read:

19 149.12 (3) (br) Persons for whom premium payments are paid or waived under

20 s. 49.472 (4) (b) or (5) are not ineligible for coverage under the plan by reason of such

21 payments.

22 SECTION 12. 149.12 (4) of the statutes is created to read:

23 149.12 (4) (a) If a person with coverage under the plan becomes eligible for and

24 receives medical assistance under s. 49.472, the person's coverage under the plan

25 does not terminate by reason of his or her eligibility for and receipt of medical

1 assistance but is merely suspended during the time that the person is receiving  
2 medical assistance under s. 49.472.

3 (b) A person with suspended coverage under the plan who is receiving medical  
4 assistance under s. 49.472 shall not pay any premiums or deductibles for coverage  
5 under the plan during the time that he or she is receiving medical assistance under  
6 s. 49.472.

7 If a person who is receiving medical assistance under s. 49.472 has  
8 suspended coverage under the plan, or had coverage under the plan at any time  
9 within 3 months before he or she successfully applied for medical assistance under  
10 s. 49.472, terminates the medical assistance coverage or loses eligibility for the  
11 medical assistance coverage, the person shall be eligible for immediate reenrollment  
12 in the plan if the person continues to satisfy all other eligibility requirements. The  
13 waiting period under sub. (2) (b) 1. and the preexisting condition exclusionary period  
14 under s. 149.14 (6) (a) do not apply to a person who reenrolls in the plan under this  
15 paragraph.

Insert 10-15

16 SECTION 13. 149.14 (6) (title) of the statutes is created to read:

17 149.14 (6) (title) PREEXISTING CONDITIONS.

18 SECTION 14. 149.167 of the statutes is created to read:

19 **149.167 Transfer for eligible persons receiving medical assistance.**

20 Annually, the department shall transfer from the appropriation accounts under s.  
21 20.435 (5) (af) and (ah) to the appropriation account under s. 20.435 (5) (kp) the  
22 amount that would have been paid under the plan from these appropriations in  
23 health care costs on behalf of all persons with coverage under the plan who received  
24 medical assistance under s. 49.472 during the preceding year, including any  
25 premium and deductible subsidies that would have been paid on behalf of those

1 persons, reduced by the premium and deductible amounts that those persons would  
2 have paid to the plan in that preceding year.

3

(END)

1999-2000 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-0266/P1ins  
~~TAY&PJ&wjk&mglp~~  
PJK: :

INSERT 10-15

SECTION 1. 149.12 (4) of the statutes is created to read:

149.12 (4) If a person who is receiving medical assistance under s. 49.472 had coverage under the plan at any time within 3 months before he or she successfully applied for medical assistance under s. 49.472, the person shall be eligible for immediate reenrollment in the plan if he or she terminates the medical assistance coverage or loses eligibility for the medical assistance coverage and if he or she continues to satisfy all other eligibility requirements under the plan. The waiting period under sub. (2) (b) 1. and the preexisting condition exclusionary period under s. 149.14 (6) (a) do not apply to a person who reenrolls in the plan under this

~~Paragraph~~

(END OF INSERT 10-15)

subsection

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

LRB-0266/P2dn

TAY...f...  
Wlj & Kwg  
1

Gretchen Fossum:

Per our conversation, I have not included the language requested by the department regarding unearned income, appeal and grievance procedures, raising and lowering the entry premium (which I don't think the department could do without changing its rules, although perhaps they can establish a range of premiums) or establishing by rule consequences for nonpayment of premiums. Under the draft, the person is ineligible if the person does not pay the premiums. Does the department intend a different consequence?

Also, I can find no definition of "family" in the federal medicare law. However, I did find rules pertaining to <sup>the</sup> deeming of income to an individual for purposes of determining SSI eligibility. Does this effect the department's intent?

Tina A. Yacker  
Legislative Attorney  
261-6927

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

LRB-0266/P2dn  
TAY:wj&kmg:hmh

Friday, January 22, 1999

Gretchen Fossum:

Per our conversation, I have not included the language requested by the department regarding unearned income, appeal and grievance procedures, raising and lowering the entry premium (which I don't think the department could do without changing its rules, although perhaps they can establish a range of premiums) or establishing by rule consequences for nonpayment of premiums. Under the draft, the person is ineligible if the person does not pay the premiums. Does the department intend a different consequence?

Also, I can find no definition of "family" in the federal medicaid law. However, I did find rules pertaining to the deeming of income to an individual for purposes of determining SSI ineligibility. Does this effect the department's intent?

Tina A. Yacker  
Legislative Attorney  
261-6927

**Yacker, Tina**

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**From:** Fossum, Gretchen  
**Sent:** Tuesday, January 26, 1999 12:05 PM  
**To:** Yacker, Tina  
**Subject:** LRB Draft 0266/P2

Please see the attached document for changes to LRB draft 0266/P2.



TY266.doc

## Yacker, Tina

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**From:** Fossum, Gretchen  
**Sent:** Wednesday, January 27, 1999 3:04 PM  
**To:** Yacker, Tina  
**Subject:** Medicaid Buy-in Draft

Tina:

The department contends that a definition of a family is needed in the draft. Below is a definition Tom Hamilton sent me. I hope it works.

Also, "evidence of work" and "substantial gainful activity" are two different things. Substantial gainful activity is merely the \$500 per month that SSI recipients are allowed to earn.

-----Original Message-----

**From:** Hamilton, Thomas  
**Sent:** Wednesday, January 27, 1999 2:30 PM  
**To:** Fossum, Gretchen  
**Cc:** Tritz, Karen; Bove, Fredi-Ellen  
**Subject:** Definition of Family

In response to your phone call fifteen minutes ago:

"Family" means an individual and any legal husband or wife and any dependent child under the age of 18 for whom the individual is legally responsible.

As we mentioned in your phone call, we have not been able to find any existing definition in Medicaid which fits this population. For example, s. 49.665(1)(d) defines family as a unit that consists of at least one dependent child and his or her custodial parent or parents. This does not fit the Purchase Plan population, where a "family" may be just the single individual, or an individual and spouse with no dependents.

The federal BBA provision under which we are proposing the Purchase Plan lets states define family. There is no family definition in the federal law.



Tina:

Listed below are changes for LRB draft 0266/P2.

- ✓ On page five line 3: add the following sentence "The department may also exclude from the assets calculation, in whole or in part, the value of a vehicle used by the individual for transportation to paid employment. This got dropped from the first draft.
- ✓ On eligibility for the program (page 5 sections (c) and (d)) the department would like to eliminate (d) and revise (c) to read:

"The individual would considered to be eligible to receive supplemental security income for purposes of receiving medical assistance but for evidence of work, attainment of the substantial gainful activity level, earned income in excess of the limit established under 42 USC 1396(q)(2)(B) and but for unearned income which under this section is disregarded as permitted by 42 USC 1396a(r)(2)."

The department makes the following points:

1. The individual does not need to be receiving supplemental social security, but must be eligible to receive it. All unearned income is also disregarded before determining eligibility for SSI. Once eligible, most unearned income (above a basic living allowance) will revert to the department as a premium payment.
2. HCFA's interpretation of this Medicaid eligibility category is that both earned income and the attainment of substantial gainful activity shall be disregarded when determining if an individual meets the SSI disabled criteria.

- ✓ On page 5 line 24: change the line to read: "Three to three and one half percent.

The department would like to allow individuals to have deductions from their unearned income in the form of a living allowance and deduction for medical expenses. The department has suggested the following:

On page 5 line 25 add "after the following deductions" at the end of the line and then insert the following:

A maintenance allowance to be established by the department which will be not less than the sum of \$20, the federal SSI standard payment level under 42 USC 1382(b) and the state SSI supplement under s. 49.77(2m).

Medical and remedial expenses and impairment related work expenses.

Deductions listed above in excess of the individuals total unearned income will be subtracted from the gross monthly earned income before applying the earned income premium calculation under 1 a.

- ✓ On page 6, line 1: change the word "shall" to "may".
- ✓ On page 6 line 9 after the word premium insert "or extend the time period for payment of the entry premiums". The department would like to consider the individual's circumstances while maintaining the individual's responsibility to contribute to the program.

I have received clarification from the department on "injurious to the program's intent". Undue hardship would not be the sole reason for waiving the premium. The department feels that anyone who cannot afford the premium could present themselves and claim undue hardship.

*no need - 3% does not exceed 3.5%*  
*D-NOTE - shall not exceed 3.5% or shall not exceed 3% which do you want?*

✓ The program's intent is to: (a) remove barriers to employment; (b) increase access to health care; and (c) maintain a fiscally viable program. Thus, on page 6, line 12: at the end of the sentence and "and be injurious to the program's intent".

✓ On page 6 change sub (5) to read: "From the appropriation under s. 20.435(7)(bd), the department shall pay the entry premium under sub 4(c) for a person who is participant under s. 46.27(7), and may pay the monthly or entry premium calculated under 4(a) for an individual who is a participant in the community options program under s 46.27(11). — Keep last sentence or not?"

✓ On page 7, line 4: change the word "shall" to "may".

✓ On page 7 line 5: at the end of the sentence add "if federal financial participation is available". *As at the beginning of the sentence!*

✓ On page 7 line 11 after the word employment insert "is enrolled in a home and community based waiver program under 1915(c) of the Social Security Act,".

Add a section on county and tribal duties:

- ✓ The county shall provide information to prospective applicants, and determine Medicaid eligibility under contract with the department.
- ✓ The county shall, to the extent practicable, ensure continuity of care for a medical assistance recipient under this section who is engaged in paid employment, is enrolled in a home and community based waiver program under 1915(c) of the Social Security Act, and who becomes ineligible for medical assistance.

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**Kahler, Pam**

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**From:** Jablonsky, Sue  
**Sent:** Friday, January 29, 1999 11:01 AM  
**To:** Kahler, Pam

Delete all the HIRSP stuff from LRB0266 and put in a nonstat provision requiring DHFS to evaluate how HIRSP clients can be linked into the MA buy in program.



(Soon) (D Note)  
State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-0266/PZ  
TAY&PJK:wlj&kmg:hmh

63  
1

DOA:.....Fossum – Pathways to independence

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT <sup>Don't</sup> <sup>Gen. Cat.</sup> relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**MEDICAL ASSISTANCE**

Under current law, a person is eligible for medical assistance (MA) if the person meets certain income and asset limits and other nonfinancial criteria. Certain people are eligible for MA because of substantial medical needs that consume so much of their income as to qualify them as “low-income”. This category of MA recipient is commonly referred to as “medically needy”. Other people are eligible for MA by virtue of their receipt of other federal assistance, such as supplemental security income (SSI). This category of people is commonly referred to as “categorically needy”.

This bill directs the department of health and family services (DHFS) to seek federal approval of an amendment to the state MA plan and to request any necessary waivers from the secretary of the federal department of health and human services and from the commissioner of the social security administration to expand MA eligibility to disabled persons who would qualify for SSI but for excess income and assets. Under the bill, a disabled person whose family’s income is less than 250% of the federal poverty line and whose assets do not exceed \$20,000 is eligible to receive MA if the person pays a monthly premium and a one-time initial premium (purchase plan) established by DHFS. The bill directs DHFS, however, to pay the monthly premium for a person who is eligible for the purchase plan and who is receiving

services under the community options program (COP). The bill also authorizes DHFS to pay for that person's one-time entry premium.

**OTHER HEALTH AND HUMAN SERVICES**

The health insurance risk-sharing plan (HIRSP) under current law, which is administered primarily by DHFS, provides major medical health insurance coverage for persons who are covered under medicare because they are disabled, persons who have tested positive for HIV and persons who have been refused coverage, or coverage at an affordable price, in the private health insurance market because of their mental or physical health condition. Also eligible for coverage are persons (called "eligible individuals") who do not currently have health insurance coverage, but who were covered under certain types of health insurance coverage for at least 18 months in the past. Persons who are eligible for MA are not eligible for HIRSP.

→ Direct A-5 ✓

~~If a person with coverage under HIRSP terminates the coverage, the person may not be reenrolled in HIRSP for 12 months after terminating the coverage, unless the termination is due to eligibility for MA. The bill provides that if a person who has the MA coverage established in the bill and who had coverage under HIRSP within three months of applying for the MA coverage terminates or loses eligibility for the MA coverage, the person is eligible for immediate reenrollment in HIRSP, without the 12-month waiting period or any preexisting condition limitation or exclusion, as long as the person continues to satisfy all other HIRSP eligibility requirements.~~

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.** 20.435 (7) (bd) of the statutes is amended to read:
- 2           20.435 (7) (bd) *Community options program and long-term support pilot*
- 3           *projects.* The amounts in the schedule for assessments, case planning, services and
- 4           administration under s. 46.27 ~~and~~, for pilot projects under s. 46.271 (1) and for the
- 5           payment of premiums under s. 49.472 (5), and the amounts carried forward under
- 6           1997 Wisconsin Act 27, section 9123 (2), for the pilot project under s. 46.271 (2m).
- 7           If the department transfers funds to this appropriation from the appropriation
- 8           account under sub. (5) (b), the amounts in the schedule for the fiscal year for which
- 9           the transfer is made are increased by the amount of the transfer for the purposes
- 10          specified in s. 49.45 (6v). Notwithstanding ss. 20.001 (3) (a) and 20.002 (1), the

1 department may under this paragraph transfer moneys between fiscal years. Except  
2 for moneys authorized for transfer under this appropriation, under s. 46.27 (7) (fm)  
3 or (g) or under 1997 Wisconsin Act 27, section 9123 (2), all moneys under this  
4 appropriation that are allocated under s. 46.27 and are not spent or encumbered by  
5 counties or by the department by December 31 of each year shall lapse to the general  
6 fund on the succeeding January 1 unless transferred to the next calendar year by the  
7 joint committee on finance.

8 **SECTION 2.** 46.27 (6u) (c) 2. of the statutes is amended to read:

9 46.27 (6u) (c) 2. For a person who is determined to be financially eligible under  
10 subd. 1. calculate, by use of the uniform fee system under s. 46.03 (18), the amount  
11 of cost sharing required for receipt of long-term community support services  
12 provided under sub. (5) (b). The county department or aging unit shall require  
13 payment by the person of 100% of the amount calculated under this subdivision,  
14 unless the person pays the premiums established under s. 49.472 (4) (a). If the  
15 person pays those premiums, the county department or aging unit may not require  
16 any payment from the person under this subdivision.

17 **SECTION 3.** 49.43 (8) of the statutes is amended to read:

18 49.43 (8) "Medical assistance" means any services or items under ss. 49.45 to  
19 49.47 49.472, except s. 49.472 (6), and under ss. 49.49 to 49.497, or any payment or  
20 reimbursement made for such services or items.

21 **SECTION 4.** 49.472 of the statutes is created to read:

22 **49.472 Medical assistance purchase plan. (1) DEFINITIONS.** In this section:

23 (a) "Earned income" has the meaning given in 42 USC 1382a (a) (1).

24 (b) "Health insurance" means surgical, medical, hospital, major medical or  
25 other health service coverage, including a self-insured health plan, but does not

(am) "Family" means an individual, the individual's spouse and any dependent child, as defined in s. 49.141 (1)(c), of the individual.

1 include hospital indemnity policies or ancillary coverages such as income  
2 continuation, loss of time or accident benefits.

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

7 (d) "Medical assistance purchase plan" means medical assistance, eligibility for  
8 which is determined under this section.

9 (e) "Unearned income" has the meaning given in 42 USC 1382a (a) (2).

10 (2) **WAIVERS AND AMENDMENTS.** The department shall submit to the federal  
11 department of health and human services an amendment to the state medical  
12 assistance plan, and shall request any necessary waivers from the secretary of the  
13 federal department of health and human services, to permit the department to  
14 expand medical assistance eligibility as provided in this section. If the state plan  
15 amendment and all necessary waivers are approved and in effect, the department  
16 shall implement the medical assistance eligibility expansion under this section not  
17 later than January 1, 2000, or 3 months after full federal approval, whichever is  
18 later.

19 (3) **ELIGIBILITY.** Except as provided in sub. (6) (a), an individual is eligible for  
20 and shall receive medical assistance under this section if all of the following  
21 conditions are met:

22 (a) The individual's net income, including income that would be deemed to the  
23 individual under 20 CFR 416.1160, is less than 250% of the poverty line for a family  
24 the size of the individual's family. In calculating the net income, the department  
25 shall disregard the income specified under 42 USC 1382a (b).

*individual's net income*  
*under 20 CFR 416.1160*

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

1 (b) The individual's assets do not exceed \$20,000. In determining assets, the  
2 department may not include assets that are excluded from the resource calculation  
3 under 42 USC 1382b (a) or assets accumulated in an independence account.

4 (c) The individual would be ~~considered to be receiving~~ <sup>eligible for</sup> supplemental security  
5 income for purposes of receiving medical assistance but for ~~earnings~~ in excess of the  
6 limit established under 42 USC 1396d (q) (2) (B). <sup>and unearned income that is disregarded</sup>  
<sup>under sub. (4)(a) 20e</sup>

7 (d) The individual is disabled, as defined in 42 USC 1382c (a) (3), except that  
8 the individual may be able to obtain substantial gainful employment.

9 (e) The individual is legally able to work in all employment settings without  
10 a permit under s. 103.70.

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

14 (g) The individual is engaged in gainful employment or is participating in a  
15 program that is certified by the department to provide health and employment  
16 services that are aimed at helping the individual achieve employment goals.

17 (h) The individual meets all other requirements established by the department  
18 by rule.

19 (4) PREMIUMS. (a) Except as provided in par. (b) and sub. (5), an individual who  
20 is eligible for medical assistance under sub. (3) and receives medical assistance shall  
21 pay a monthly premium to the department. The department shall establish the  
22 monthly premiums by rule in accordance with the following guidelines:

- 23 1. The premium for any individual may not exceed the sum of the following:
- 24 a. Three and one-half percent of the individual's earned income.
- 25 b. One hundred percent of the individual's unearned income <sup>after the deductions</sup>  
<sup>specified in</sup>  
<sup>subd. 20e</sup>

evidence of work, attainment of the substantial gainful activity level, earned income



SECTION 4

INSERT  
6-1

1 3. The department ~~shall~~ <sup>may</sup> reduce the premium by 25% for an individual who is  
2 covered by private health insurance.

3 (b) The department may waive monthly premiums that are calculated to be  
4 below \$10 per month.

5 (c) The department shall assess a one-time entry premium based on a sliding  
6 scale established by the department by rule and according to an individual's gross  
7 income. In calculating an individual's gross income, the department may treat  
8 earned and unearned income differently. The department may waive all or part of  
9 the entry premium <sup>or extend the time period for payment of the entry premium,</sup> for an individual if the department determines that any of the  
10 following is true:

11 1. Assessment of the premium would impose an undue hardship on the  
12 individual <sup>and [INSERT 6-12]</sup>

13 2. Assessment of the premium would reduce the cost-effectiveness of the  
14 medical assistance purchase plan.

15 (5) COMMUNITY OPTIONS PARTICIPANTS. From the appropriation under s. 20.435  
16 (7) (bd), the department shall pay the entry premium established under sub. (4) (c),  
17 and may pay the <sup>entry premium calculated under sub. (4) (c) or the</sup> monthly premium calculated under sub. (4) (a), for an individual  
18 who is a participant in the community options program under s. 46.27 (11). No  
19 individual who is a participant in the community options program under s. 46.27 (11)  
20 may be required to pay a monthly premium calculated under sub. (4) (a) if the  
21 individual pays the amount calculated under s. 46.27 (6u) (c) 2. <sup>3</sup>

22 (6) INSURED PERSONS. (a) Notwithstanding sub. (4) (a) ~~2.~~, from the  
23 appropriation under s. 20.435 (5) (b), the department shall, on the part of an  
24 individual who is eligible for medical assistance under sub. (3), pay premiums for or  
25 purchase individual coverage offered by the individual's employer if the department

for a person who is a participant in the community options program under s.  
46.27 (7) ✓

1 determines that paying the premiums for or purchasing the coverage will not be more  
2 costly than providing medical assistance.

3 (b) If federal financial participation is available, from the appropriation under  
4 s. 20.435 (5) (b), the department ~~shall~~<sup>may</sup> pay medicare Part A and Part B premiums for  
5 individuals who are eligible for medicare and for medical assistance under sub. (3).

*Handwritten initials in a circle*

6 (7) DEPARTMENT DUTIES. The department shall do all of the following:

7 (a) Determine eligibility, or contract with a county department, as defined in  
8 49.45 (6c) (a) 3., or with a tribal governing body to determine eligibility, of individuals  
9 for the medical assistance purchase plan in accordance with sub. (3).

10 (b) Ensure, to the extent practicable, continuity of care for a medical assistance  
11 recipient under this section who is engaged in paid employment and who becomes  
12 ineligible for medical assistance.

13 SECTION 5. 149.12 (2) (b) 1. of the statutes is amended to read:

14 149.12 (2) (b) 1. Except as provided in subd. 2. and in sub. (4), no person who  
15 is covered under the plan and who voluntarily terminates the coverage under the  
16 plan is again eligible for coverage unless 12 months have elapsed since the person's  
17 latest voluntary termination of coverage under the plan.

18 SECTION 6. 149.12 (4) of the statutes is created to read:

19 149.12 (4) If a person who is receiving medical assistance under s. 49.472 had  
20 coverage under the plan at any time within 3 months before he or she successfully  
21 applied for medical assistance under s. 49.472, the person shall be eligible for  
22 immediate reenrollment in the plan if he or she terminates the medical assistance  
23 coverage or loses eligibility for the medical assistance coverage and if he or she  
24 continues to satisfy all other eligibility requirements under the plan. The waiting  
25 period under sub. (2) (b) 1. and the preexisting condition exclusionary period under

*Handwritten note:* , or is enrolled in a home-based or community-based  
waiver program under section 1915(c) of the Social Security Act,

1 s. 149.14 (6) (a) do not apply to a person who reenrolls in the plan under this  
 2 subsection.  
 3 **SECTION 7.** 149.14 (6) (title) of the statutes is created to read:  
 4 149.14 (6) (title) PREEXISTING CONDITIONS.

5

(END)

Insert 8-4 ✓

WPO -- Insert this on the separate D-NOTE.

D-note

This redraft deletes the HIRSP provisions and adds a nonstatutory provision that requires DHFS to evaluate how to coordinate the two programs and to ~~submit~~ develop proposed legislation, if necessary.

PJK

1999-2000 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-0266/P21as  
TAY&PJK:wlj&kmg:hmh

INSERT A-5 ✓

69 The bill requires DHFS to evaluate how to coordinate HIRSP with the plan related to MA coverage that is established in the bill. If necessary, DHFS must develop proposed legislation that coordinates the two programs and that addresses the provision of health care coverage for individuals who are eligible for both HIRSP and the MA coverage plan.

(END OF INSERT A-5)

INSERT 8-4

**SECTION 9123. Nonstatutory provisions; health and family services.**

(1) HEALTH INSURANCE RISK<sup>K</sup>-SHARING PLAN AND MEDICAL ASSISTANCE PURCHASE PLAN.

The department of health and family services shall evaluate how to coordinate the health insurance risk-sharing plan under chapter 149 of the statutes, as affected by this act, and the medical assistance purchase plan under section 49.472<sup>✓</sup> of the statutes, as created by this act. If necessary, the department shall develop proposed legislation that coordinates the programs and that addresses the provision of health care coverage for individuals who are eligible for both programs.

(END OF INSERT 8-4)

1999-2000 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-0266/lins

TAY: :

**insert 6-1** ✓

2. In determining an individual's unearned income under subd. 1., the department shall disregard all of the following:

a. A maintenance allowance established by the department by rule. The maintenance allowance may not be less than the sum of \$20, the federal supplemental security income payment level determined under 42 USC 1382 (b) and the state supplemental payment determined under s. 49.77 (2m). ✓

b. Medical and remedial expenses and impairment-related work expenses.

**insert 6-12** ✓

(No A) ↓ would fail to remove barriers to employment for the individual or would fail to increase access to health care for the individual

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

LRB-0266/1dn

TAY::

*King*

Gretchen Fossum:

I have not changed the premium language to read "Three to three and one half percent" because that does not make sense. If the calculation is  $3\frac{1}{2}\%$ , that necessarily exceeds 3%. Conversely, 3%, if that's the calculation that the department wants to be able to use, does not exceed  $3\frac{1}{2}\%$  and would therefore meet the statutory requirement as it is currently drafted. What is the department's intent here?

I did not include language regarding subtraction of excess disregards from "gross monthly earned income before applying the earned income premium calculation under 1 a." because there is no other reference to gross monthly income. Please let me know what the department intends here. It may be that statutory language is not required for the department to make the subtraction.

Tina A. Yacker  
Legislative Attorney  
Phone: (608) 261-6927  
E-mail: Tina.Yacker@legis.state.wi.us

→ Add RTK's D-NOTE from p. 8 of the draft.

Finally, I did not add the language regarding county duties because counties already have the responsibility for determining MA eligibility. Additionally, I doubt that the department wants counties to be liable for not ensuring continuity of care.

I

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

LRB-0266/1dn  
TAY&PJK:kmg:lp

January 30, 1999

Gretchen Fossum:

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Tina A. Yacker  
Legislative Attorney  
Phone: (608) 261-6927  
E-mail: Tina.Yacker@legis.state.wi.us

This redraft deletes the HIRSP provisions and adds a nonstatutory provision that requires DHFS to evaluate how to coordinate the two programs and to develop proposed legislation, if necessary.

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: Pam.Kahler@legis.state.wi.us



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-0266/2  
TAY&PJK:wlj&kmg:lp

D-NOTE

DOA:.....Fossum - Pathways to independence

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT <sup>Don't  
gen. cat.</sup>; relating to: the budget.

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*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**MEDICAL ASSISTANCE**

Under current law, a person is eligible for medical assistance (MA) if the person meets certain income and asset limits and other nonfinancial criteria. Certain people are eligible for MA because of substantial medical needs that consume so much of their income as to qualify them as "low-income". This category of MA recipient is commonly referred to as "medically needy". Other people are eligible for MA by virtue of their receipt of other federal assistance, such as supplemental security income (SSI). This category of people is commonly referred to as "categorically needy".

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services under the community options program (COP). The bill also authorizes DHFS to pay for that person's one-time entry premium.

#### OTHER HEALTH AND HUMAN SERVICES

The health insurance risk-sharing plan (HIRSP) under current law, which is administered primarily by DHFS, provides major medical health insurance coverage for persons who are covered under medicare because they are disabled, persons who have tested positive for HIV and persons who have been refused coverage, or coverage at an affordable price, in the private health insurance market because of their mental or physical health condition. Also eligible for coverage are persons (called "eligible individuals") who do not currently have health insurance coverage, but who were covered under certain types of health insurance coverage for at least 18 months in the past. Persons who are eligible for MA are not eligible for HIRSP. The bill requires DHFS to evaluate how to coordinate HIRSP with the plan related to MA coverage that is established in the bill. If necessary, DHFS must develop proposed legislation that coordinates the two programs and that addresses the provision of health care coverage for individuals who are eligible for both HIRSP and the MA coverage plan.

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

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1           **SECTION 1.** 20.435 (7) (bd) of the statutes is amended to read:  
2           20.435 (7) (bd) *Community options program and long-term support pilot*  
3 *projects.* The amounts in the schedule for assessments, case planning, services and  
4 administration under s. 46.27 ~~and~~, for pilot projects under s. 46.271 (1) and for the  
5 payment of premiums under s. 49.472 (5), and the amounts carried forward under  
6 1997 Wisconsin Act 27, section 9123 (2), for the pilot project under s. 46.271 (2m).  
7 If the department transfers funds to this appropriation from the appropriation  
8 account under sub. (5) (b), the amounts in the schedule for the fiscal year for which  
9 the transfer is made are increased by the amount of the transfer for the purposes  
10 specified in s. 49.45 (6v). Notwithstanding ss. 20.001 (3) (a) and 20.002 (1), the  
11 department may under this paragraph transfer moneys between fiscal years. Except  
12 for moneys authorized for transfer under this appropriation, under s. 46.27 (7) (fm)

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2 appropriation that are allocated under s. 46.27 and are not spent or encumbered by  
3 counties or by the department by December 31 of each year shall lapse to the general  
4 fund on the succeeding January 1 unless transferred to the next calendar year by the  
5 joint committee on finance.

6 **SECTION 2.** 46.27 (6u) (c) 2. of the statutes is amended to read:

7 46.27 (6u) (c) 2. For a person who is determined to be financially eligible under  
8 subd. 1. calculate, by use of the uniform fee system under s. 46.03 (18), the amount  
9 of cost sharing required for receipt of long-term community support services  
10 provided under sub. (5) (b). The county department or aging unit shall require  
11 payment by the person of 100% of the amount calculated under this subdivision,  
12 unless the person pays the premiums established under s. 49.472 (4) (a). If the  
13 person pays those premiums, the county department or aging unit may not require  
14 any payment from the person under this subdivision.

15 **SECTION 3.** 49.43 (8) of the statutes is amended to read:

16 49.43 (8) "Medical assistance" means any services or items under ss. 49.45 to  
17 49.47 49.472, except s. 49.472 (6), and under ss. 49.49 to 49.497, or any payment or  
18 reimbursement made for such services or items.

19 **SECTION 4.** 49.472 of the statutes is created to read:

20 **49.472 Medical assistance purchase plan. (1) DEFINITIONS.** In this section:

21 (a) "Earned income" has the meaning given in 42 USC 1382a (a) (1).

22 (am) "Family" means an individual, the individual's spouse and any dependent  
23 child, as defined in s. 49.141 (1) (c), of the individual.

24 (b) "Health insurance" means surgical, medical, hospital, major medical or  
25 other health service coverage, including a self-insured health plan, but does not

1 include hospital indemnity policies or ancillary coverages such as income  
2 continuation, loss of time or accident benefits.

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

7 (d) "Medical assistance purchase plan" means medical assistance, eligibility for  
8 which is determined under this section.

9 (e) "Unearned income" has the meaning given in 42 USC 1382a (a) (2).

10 (2) **WAIVERS AND AMENDMENTS.** The department shall submit to the federal  
11 department of health and human services an amendment to the state medical  
12 assistance plan, and shall request any necessary waivers from the secretary of the  
13 federal department of health and human services, to permit the department to  
14 expand medical assistance eligibility as provided in this section. If the state plan  
15 amendment and all necessary waivers are approved and in effect, the department  
16 shall implement the medical assistance eligibility expansion under this section not  
17 later than January 1, 2000, or 3 months after full federal approval, whichever is  
18 later.

19 (3) **ELIGIBILITY.** Except as provided in sub. (6) (a), an individual is eligible for  
20 and shall receive medical assistance under this section if all of the following  
21 conditions are met:

22 (a) The individual's net income, including income that would be deemed to the  
23 individual under 20 CFR 416.1160, is less than 250% of the poverty line for a family  
24 the size of the individual's family. In calculating the net income, the department  
25 shall disregard the income specified under 42 USC 1382a (b).

1 (b) The individual's assets do not exceed \$20,000. In determining assets, the  
2 department may not include assets that are excluded from the resource calculation  
3 under 42 USC 1382b (a) or assets accumulated in an independence account. The  
4 department may exclude, in whole or in part, the value of a vehicle used by the  
5 individual for transportation to paid employment.

6 (c) The individual would be eligible for supplemental security income for  
7 purposes of receiving medical assistance but for evidence of work, attainment of the  
8 substantial gainful activity level, earned income in excess of the limit established  
9 under 42 USC 1396d (q) (2) (B) and unearned income that is disregarded under sub.  
10 (4) (a) 2.

11 (e) The individual is legally able to work in all employment settings without  
12 a permit under s. 103.70.

13 (f) The individual maintains premium payments calculated by the department  
14 in accordance with sub. (4), unless the individual is exempted from premium  
15 payments under sub. (4) (b) or (c) or (5).

16 (g) The individual is engaged in gainful employment or is participating in a  
17 program that is certified by the department to provide health and employment  
18 services that are aimed at helping the individual achieve employment goals.

19 (h) The individual meets all other requirements established by the department  
20 by rule.

21 (4) PREMIUMS. (a) Except as provided in par. (b) and sub. (5), an individual who  
22 is eligible for medical assistance under sub. (3) and receives medical assistance shall  
23 pay a monthly premium to the department. The department shall establish the  
24 monthly premiums by rule in accordance with the following guidelines:

25 1. The premium for any individual may not exceed the sum of the following:

- 1           a. Three and one-half percent of the individual's earned income.
- 2           b. One hundred percent of the individual's unearned income after the  
3           deductions specified in subd. 2.
- 4           2. In determining an individual's unearned income under subd. 1., the  
5           department shall disregard all of the following:
- 6           a. A maintenance allowance established by the department by rule. The  
7           maintenance allowance may not be less than the sum of \$20, the federal  
8           supplemental security income payment level determined under 42 USC 1382 (b) and  
9           the state supplemental payment determined under s. 49.77 (2m).
- 10          b. Medical and remedial expenses and impairment-related work expenses.
- 11          3. The department may reduce the premium by 25% for an individual who is  
12          covered by private health insurance.
- 13          (b) The department may waive monthly premiums that are calculated to be  
14          below \$10 per month.
- 15          (c) The department shall assess a one-time entry premium based on a sliding  
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22           individual and, would fail to remove barriers to employment for the individual or  
23           would fail to increase access to health care for the individual.
- 24           2. Assessment of the premium would reduce the cost-effectiveness of the  
25           medical assistance purchase plan.

1           **(5) COMMUNITY OPTIONS PARTICIPANTS.** From the appropriation under s. 20.435  
2           (7) (bd), the department shall pay the entry premium established under sub. (4) (c)  
3           for a person who is a participant in the community options program under s. 46.27  
4           (7), and may pay the entry premium calculated under sub. (4) (c) or the monthly  
5           premium calculated under sub. (4) (a), for an individual who is a participant in the  
6           community options program under s. 46.27 (11). No individual who is a participant  
7           in the community options program under s. 46.27 (11) may be required to pay a  
8           monthly premium calculated under sub. (4) (a) if the individual pays the amount  
9           calculated under s. 46.27 (6u) (c) 2.

10           **(6) INSURED PERSONS.** (a) Notwithstanding sub. (4) (a) 3., from the  
11           appropriation under s. 20.435 (5) (b), the department shall, on the part of an  
12           individual who is eligible for medical assistance under sub. (3), pay premiums for or  
13           purchase individual coverage offered by the individual's employer if the department  
14           determines that paying the premiums for or purchasing the coverage will not be more  
15           costly than providing medical assistance.

16           (b) If federal financial participation is available, from the appropriation under  
17           s. 20.435 (5) (b), the department may pay medicare Part A and Part B premiums for  
18           individuals who are eligible for medicare and for medical assistance under sub. (3).

19           **(7) DEPARTMENT DUTIES.** The department shall do all of the following:

20           (a) Determine eligibility, or contract with a county department, as defined in  
21           49.45 (6c)(a) 3., or with a tribal governing body to determine eligibility, of individuals  
22           for the medical assistance purchase plan in accordance with sub. (3).

23           (b) Ensure, to the extent practicable, continuity of care for a medical assistance  
24           recipient under this section who is engaged in paid employment, or is enrolled in a

1 home-based or community-based waiver program under section 1915 (c) of the  
2 Social Security Act, and who becomes ineligible for medical assistance.

3 **SECTION 9123. Nonstatutory provisions; health and family services.**

4 (1) HEALTH INSURANCE RISK-SHARING PLAN AND MEDICAL ASSISTANCE PURCHASE  
5 PLAN. The department of health and family services shall evaluate how to coordinate  
6 the health insurance risk-sharing plan under chapter 149 of the statutes, as affected  
7 by this act, and the medical assistance purchase plan under section 49.472 of the  
8 statutes, as created by this act. If necessary, the department shall develop proposed  
9 legislation that coordinates the programs and that addresses the provision of health  
10 care coverage for individuals who are eligible for both programs.

11 (END)

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

LRB-0266/2dn  
TAY&PJK::

*KMG*

This draft reconciles LRB-0028, LRB-0030 and LRB-0266<sup>✓</sup>. The treatment of s. 20.435 (7) (bd) has been deleted from this draft. That section is treated in LRB-0028. All of these drafts should continue to appear in the compiled bill.

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

LRB-0266/2dn  
TAY:kmg:hmh

Tuesday, February 2, 1999

This draft reconciles LRB-0028, LRB-0030 and LRB-0266. The treatment of s. 20.435 (7) (bd) has been deleted from this draft. That section is treated in LRB-0028. All of these drafts should continue to appear in the compiled bill.

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State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-026617

TAY&PJK:wj&kmg:hmh

D-NOTE

RMR 3

DOA:.....Fossum - Pathways to independence

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT <sup>Don't Get Cat</sup> relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**MEDICAL ASSISTANCE**

Under current law, a person is eligible for medical assistance (MA) if the person meets certain income and asset limits and other nonfinancial criteria. Certain people are eligible for MA because of substantial medical needs that consume so much of their income as to qualify them as "low-income". This category of MA recipient is commonly referred to as "medically needy". Other people are eligible for MA by virtue of their receipt of other federal assistance, such as supplemental security income (SSI). This category of people is commonly referred to as "categorically needy".

This bill directs the department of health and family services (DHFS) to seek federal approval of an amendment to the state MA plan and to request any necessary waivers from the secretary of the federal department of health and human services and from the commissioner of the social security administration to expand MA eligibility to disabled persons who would qualify for SSI but for excess income and assets. Under the bill, a disabled person whose family's income is less than 250% of the federal poverty line and whose assets do not exceed \$20,000 is eligible to receive MA if the person pays a monthly premium and a one-time initial premium (purchase plan) established by DHFS. The bill directs DHFS, however, to pay the monthly premium for a person who is eligible for the purchase plan and who is receiving

services under the community options program (COP). The bill also authorizes DHFS to pay for that person's one-time entry premium.

#### OTHER HEALTH AND HUMAN SERVICES

The health insurance risk-sharing plan (HIRSP) under current law, which is administered primarily by DHFS, provides major medical health insurance coverage for persons who are covered under medicare because they are disabled, persons who have tested positive for HIV and persons who have been refused coverage, or coverage at an affordable price, in the private health insurance market because of their mental or physical health condition. Also eligible for coverage are persons (called "eligible individuals") who do not currently have health insurance coverage, but who were covered under certain types of health insurance coverage for at least 18 months in the past. Persons who are eligible for MA are not eligible for HIRSP. The bill requires DHFS to evaluate how to coordinate HIRSP with the plan related to MA coverage that is established in the bill. If necessary, DHFS must develop proposed legislation that coordinates the two programs and that addresses the provision of health care coverage for individuals who are eligible for both HIRSP and the MA coverage plan.

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.** 46.27 (6u) (c) 2. of the statutes is amended to read:

2           46.27 (6u) (c) 2. For a person who is determined to be financially eligible under  
3           subd. 1. calculate, by use of the uniform fee system under s. 46.03 (18), the amount  
4           of cost sharing required for receipt of long-term community support services  
5           provided under sub. (5) (b). The county department or aging unit shall require  
6           payment by the person of 100% of the amount calculated under this subdivision,  
7           unless the person pays the premiums established under s. 49.472 (4) (a). If the  
8           person pays those premiums, the county department or aging unit may not require  
9           any payment from the person under this subdivision.

10           **SECTION 2.** 49.43 (8) of the statutes is amended to read:

1           49.43 (8) “Medical assistance” means any services or items under ss. 49.45 to  
2           49.47 ~~49.472~~, except s. 49.472 (6), and under ss. 49.49 to 49.497, or any payment or  
3           reimbursement made for such services or items.

4           **SECTION 3.** 49.472 of the statutes is created to read:

5           **49.472 Medical assistance purchase plan. (1) DEFINITIONS.** In this section:

6           (a) “Earned income” has the meaning given in 42 USC 1382a (a) (1).

7           (am) “Family” means an individual, the individual’s spouse and any dependent  
8           child, as defined in s. 49.141 (1) (c), of the individual.

9           (b) “Health insurance” means surgical, medical, hospital, major medical or  
10           other health service coverage, including a self-insured health plan, but does not  
11           include hospital indemnity policies or ancillary coverages such as income  
12           continuation, loss of time or accident benefits.

13           (c) “Independence account” means an account approved by the department that  
14           consists solely of savings, and dividends or other gains derived from those savings,  
15           from income earned from paid employment after the initial date that an individual  
16           began receiving medical assistance under this section.

17           (d) “Medical assistance purchase plan” means medical assistance, eligibility for  
18           which is determined under this section.

19           (e) “Unearned income” has the meaning given in 42 USC 1382a (a) (2).

20           **(2) WAIVERS AND AMENDMENTS.** The department shall submit to the federal  
21           department of health and human services an amendment to the state medical  
22           assistance plan, and shall request any necessary waivers from the secretary of the  
23           federal department of health and human services, to permit the department to  
24           expand medical assistance eligibility as provided in this section. If the state plan  
25           amendment and all necessary waivers are approved and in effect, the department

1 shall implement the medical assistance eligibility expansion under this section not  
2 later than January 1, 2000, or 3 months after full federal approval, whichever is  
3 later.

4 **(3) ELIGIBILITY.** Except as provided in sub. (6) (a), an individual is eligible for  
5 and shall receive medical assistance under this section if all of the following  
6 conditions are met:

7 (a) The individual's net income, including income that would be deemed to the  
8 individual under 20 CFR 416.1160, is less than 250% of the poverty line for a family  
9 the size of the individual's family. In calculating the net income, the department  
10 shall disregard the income specified under 42 USC 1382a (b).

11 (b) The individual's assets do not exceed \$20,000. In determining assets, the  
12 department may not include assets that are excluded from the resource calculation  
13 under 42 USC 1382b (a) or assets accumulated in an independence account. The  
14 department may exclude, in whole or in part, the value of a vehicle used by the  
15 individual for transportation to paid employment.

16 (c) The individual would be eligible for supplemental security income for  
17 purposes of receiving medical assistance but for evidence of work, attainment of the  
18 substantial gainful activity level, earned income in excess of the limit established  
19 under 42 USC 1396d (q) (2) (B) and unearned income that is disregarded under sub.  
20 (4) (a) 2.

21 (e) The individual is legally able to work in all employment settings without  
22 a permit under s. 103.70.

23 (f) The individual maintains premium payments calculated by the department  
24 in accordance with sub. (4), unless the individual is exempted from premium  
25 payments under sub. (4) (b) or (c) or (5).

1 (g) The individual is engaged in gainful employment or is participating in a  
2 program that is certified by the department to provide health and employment  
3 services that are aimed at helping the individual achieve employment goals.

4 (h) The individual meets all other requirements established by the department  
5 by rule.

6 (4) PREMIUMS. (a) Except as provided in par. (b) and sub. (5), an individual who  
7 is eligible for medical assistance under sub. (3) and receives medical assistance shall  
8 pay a monthly premium to the department. The department shall establish the  
9 monthly premiums by rule in accordance with the following guidelines:

10 1. The premium for any individual may not exceed the sum of the following:

11 a. Three and one-half percent of the individual's earned income.

12 b. One hundred percent of the individual's unearned income after the  
13 deductions specified in subd. 2.

14 2. In determining an individual's unearned income under subd. 1., the  
15 department shall disregard all of the following:

16 a. A maintenance allowance established by the department by rule. The  
17 maintenance allowance may not be less than the sum of \$20, the federal  
18 supplemental security income payment level determined under 42 USC 1382 (b) and  
19 the state supplemental payment determined under s. 49.77 (2m).

20 b. Medical and remedial expenses and impairment-related work expenses.

21 3. The department may reduce the premium by 25% for an individual who is  
22 covered by private health insurance.

23 (b) The department may waive monthly premiums that are calculated to be  
24 below \$10 per month.

1 (c) The department shall assess a one-time entry premium based on a sliding  
2 scale established by the department by rule and according to an individual's gross  
3 income. In calculating an individual's gross income, the department may treat  
4 earned and unearned income differently. The department may waive all or part of  
5 the entry premium, or extend the time period for payment of the entry premium, for  
6 an individual if the department determines that any of the following is true:

7 1. Assessment of the premium would impose an undue hardship on the  
8 individual and, would fail to remove barriers to employment for the individual or  
9 would fail to increase access to health care for the individual.

10 2. Assessment of the premium would reduce the cost-effectiveness of the  
11 medical assistance purchase plan.

12 (5) COMMUNITY OPTIONS PARTICIPANTS. From the appropriation under s. 20.435  
13 (7) (bd), the department shall pay the entry premium established under sub. (4) (c)  
14 for a person who is a participant in the community options program under s. 46.27  
15 (7), and may pay the entry premium calculated under sub. (4) (c) or the monthly  
16 premium calculated under sub. (4) (a), for an individual who is a participant in the  
17 community options program under s. 46.27 (11). No individual who is a participant  
18 in the community options program under s. 46.27 (11) may be required to pay a  
19 monthly premium calculated under sub. (4) (a) if the individual pays the amount  
20 calculated under s. 46.27 (6u) (c) 2.

21 (6) INSURED PERSONS. (a) Notwithstanding sub. (4) (a) 3., from the  
22 appropriation under s. 20.435 (<sup>4</sup>~~(b)~~ <sup>✓</sup>(b)), the department shall, on the part of an  
23 individual who is eligible for medical assistance under sub. (3), pay premiums for or  
24 purchase individual coverage offered by the individual's employer if the department

1 determines that paying the premiums for or purchasing the coverage will not be more  
2 costly than providing medical assistance.

3 (b) If federal financial participation is available, from the appropriation under ✓  
4 s. 20.435 <sup>44</sup>~~(b)~~ (b), the department may pay medicare Part A and Part B premiums for  
5 individuals who are eligible for medicare and for medical assistance under sub. (3).

6 (7) DEPARTMENT DUTIES. The department shall do all of the following:

7 (a) Determine eligibility, or contract with a county department, as defined in  
8 49.45 (6c) (a) 3., or with a tribal governing body to determine eligibility, of individuals  
9 for the medical assistance purchase plan in accordance with sub. (3).

10 (b) Ensure, to the extent practicable, continuity of care for a medical assistance  
11 recipient under this section who is engaged in paid employment, or is enrolled in a  
12 home-based or community-based waiver program under section 1915 (c) of the  
13 Social Security Act, and who becomes ineligible for medical assistance.

14 **SECTION 9123. Nonstatutory provisions; health and family services.**

15 (1) HEALTH INSURANCE RISK-SHARING PLAN AND MEDICAL ASSISTANCE PURCHASE  
16 PLAN. The department of health and family services shall evaluate how to coordinate  
17 the health insurance risk-sharing plan under chapter 149 of the statutes, as affected  
18 by this act, and the medical assistance purchase plan under section 49.472 of the  
19 statutes, as created by this act. If necessary, the department shall develop proposed  
20 legislation that coordinates the programs and that addresses the provision of health  
21 care coverage for individuals who are eligible for both programs.

22 (END)



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

0266  
LRB-1393/3dn  
TAY.../i:....  
WJZKMG

cross-  
references to

This draft changes s. 20.435 (5) (<sup>b</sup>~~1~~) to s. 20.435 (4) (<sup>b</sup>~~1~~) to reconcile it conceptually with LRB-0028, which renumbers MA appropriations from program (~~5~~) to program (~~4~~).

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

LRB-0266/3dn  
TAY:wlj&kmg:ch

February 3, 1999

This draft changes cross-references to s. 20.435 (5) (b) to s. 20.435 (4) (b) to reconcile it conceptually with LRB-0028, which renumbers MA appropriations from program 5 to program 4.

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State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-0266/3  
TAY&PJK:wlj&kmg:ch

DOA:.....Fossum - Pathways to independence

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

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

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*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**MEDICAL ASSISTANCE**

Under current law, a person is eligible for medical assistance (MA) if the person meets certain income and asset limits and other nonfinancial criteria. Certain people are eligible for MA because of substantial medical needs that consume so much of their income as to qualify them as "low-income". This category of MA recipient is commonly referred to as "medically needy". Other people are eligible for MA by virtue of their receipt of other federal assistance, such as supplemental security income (SSI). This category of people is commonly referred to as "categorically needy".

This bill directs the department of health and family services (DHFS) to seek federal approval of an amendment to the state MA plan and to request any necessary waivers from the secretary of the federal department of health and human services and from the commissioner of the social security administration to expand MA eligibility to disabled persons who would qualify for SSI but for excess income and assets. Under the bill, a disabled person whose family's income is less than 250% of the federal poverty line and whose assets do not exceed \$20,000 is eligible to receive MA if the person pays a monthly premium and a one-time initial premium (purchase plan) established by DHFS. The bill directs DHFS, however, to pay the monthly premium for a person who is eligible for the purchase plan and who is receiving

services under the community options program (COP). The bill also authorizes DHFS to pay for that person's one-time entry premium.

**OTHER HEALTH AND HUMAN SERVICES**

The health insurance risk-sharing plan (HIRSP) under current law, which is administered primarily by DHFS, provides major medical health insurance coverage for persons who are covered under medicare because they are disabled, persons who have tested positive for HIV and persons who have been refused coverage, or coverage at an affordable price, in the private health insurance market because of their mental or physical health condition. Also eligible for coverage are persons (called "eligible individuals") who do not currently have health insurance coverage, but who were covered under certain types of health insurance coverage for at least 18 months in the past. Persons who are eligible for MA are not eligible for HIRSP. The bill requires DHFS to evaluate how to coordinate HIRSP with the plan related to MA coverage that is established in the bill. If necessary, DHFS must develop proposed legislation that coordinates the two programs and that addresses the provision of health care coverage for individuals who are eligible for both HIRSP and the MA coverage plan.

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.** 46.27 (6u) (c) 2. of the statutes is amended to read:

2           46.27 (6u) (c) 2. For a person who is determined to be financially eligible under  
3           subd. 1. calculate, by use of the uniform fee system under s. 46.03 (18), the amount  
4           of cost sharing required for receipt of long-term community support services  
5           provided under sub. (5) (b). The county department or aging unit shall require  
6           payment by the person of 100% of the amount calculated under this subdivision,  
7           unless the person pays the premiums established under s. 49.472 (4) (a). If the  
8           person pays those premiums, the county department or aging unit may not require  
9           any payment from the person under this subdivision.

10           **SECTION 2.** 49.43 (8) of the statutes is amended to read:

1           49.43 (8) "Medical assistance" means any services or items under ss. 49.45 to  
2           ~~49.47~~ 49.472, except s. 49.472 (6), and under ss. 49.49 to 49.497, or any payment or  
3           reimbursement made for such services or items.

4           **SECTION 3.** 49.472 of the statutes is created to read:

5           **49.472 Medical assistance purchase plan. (1) DEFINITIONS.** In this section:

6           (a) "Earned income" has the meaning given in 42 USC 1382a (a) (1).

7           (am) "Family" means an individual, the individual's spouse and any dependent  
8           child, as defined in s. 49.141 (1) (c), of the individual.

9           (b) "Health insurance" means surgical, medical, hospital, major medical or  
10          other health service coverage, including a self-insured health plan, but does not  
11          include hospital indemnity policies or ancillary coverages such as income  
12          continuation, loss of time or accident benefits.

13          (c) "Independence account" means an account approved by the department that  
14          consists solely of savings, and dividends or other gains derived from those savings,  
15          from income earned from paid employment after the initial date that an individual  
16          began receiving medical assistance under this section.

17          (d) "Medical assistance purchase plan" means medical assistance, eligibility for  
18          which is determined under this section.

19          (e) "Unearned income" has the meaning given in 42 USC 1382a (a) (2).

20          **(2) WAIVERS AND AMENDMENTS.** The department shall submit to the federal  
21          department of health and human services an amendment to the state medical  
22          assistance plan, and shall request any necessary waivers from the secretary of the  
23          federal department of health and human services, to permit the department to  
24          expand medical assistance eligibility as provided in this section. If the state plan  
25          amendment and all necessary waivers are approved and in effect, the department

1 shall implement the medical assistance eligibility expansion under this section not  
2 later than January 1, 2000, or 3 months after full federal approval, whichever is  
3 later.

4 **(3) ELIGIBILITY.** Except as provided in sub. (6) (a), an individual is eligible for  
5 and shall receive medical assistance under this section if all of the following  
6 conditions are met:

7 (a) The individual's net income, including income that would be deemed to the  
8 individual under 20 CFR 416.1160, is less than 250% of the poverty line for a family  
9 the size of the individual's family. In calculating the net income, the department  
10 shall disregard the income specified under 42 USC 1382a (b).

11 (b) The individual's assets do not exceed \$20,000. In determining assets, the  
12 department may not include assets that are excluded from the resource calculation  
13 under 42 USC 1382b (a) or assets accumulated in an independence account. The  
14 department may exclude, in whole or in part, the value of a vehicle used by the  
15 individual for transportation to paid employment.

16 (c) The individual would be eligible for supplemental security income for  
17 purposes of receiving medical assistance but for evidence of work, attainment of the  
18 substantial gainful activity level, earned income in excess of the limit established  
19 under 42 USC 1396d (q) (2) (B) and unearned income that is disregarded under sub.  
20 (4) (a) 2.

21 (e) The individual is legally able to work in all employment settings without  
22 a permit under s. 103.70.

23 (f) The individual maintains premium payments calculated by the department  
24 in accordance with sub. (4), unless the individual is exempted from premium  
25 payments under sub. (4) (b) or (c) or (5).

1 (g) The individual is engaged in gainful employment or is participating in a  
2 program that is certified by the department to provide health and employment  
3 services that are aimed at helping the individual achieve employment goals.

4 (h) The individual meets all other requirements established by the department  
5 by rule.

6 (4) PREMIUMS. (a) Except as provided in par. (b) and sub. (5), an individual who  
7 is eligible for medical assistance under sub. (3) and receives medical assistance shall  
8 pay a monthly premium to the department. The department shall establish the  
9 monthly premiums by rule in accordance with the following guidelines:

10 1. The premium for any individual may not exceed the sum of the following:

11 a. Three and one-half percent of the individual's earned income.

12 b. One hundred percent of the individual's unearned income after the  
13 deductions specified in subd. 2.

14 2. In determining an individual's unearned income under subd. 1., the  
15 department shall disregard all of the following:

16 a. A maintenance allowance established by the department by rule. The  
17 maintenance allowance may not be less than the sum of \$20, the federal  
18 supplemental security income payment level determined under 42 USC 1382 (b) and  
19 the state supplemental payment determined under s. 49.77 (2m).

20 b. Medical and remedial expenses and impairment-related work expenses.

21 3. The department may reduce the premium by 25% for an individual who is  
22 covered by private health insurance.

23 (b) The department may waive monthly premiums that are calculated to be  
24 below \$10 per month.

1 (c) The department shall assess a one-time entry premium based on a sliding  
2 scale established by the department by rule and according to an individual's gross  
3 income. In calculating an individual's gross income, the department may treat  
4 earned and unearned income differently. The department may waive all or part of  
5 the entry premium, or extend the time period for payment of the entry premium, for  
6 an individual if the department determines that any of the following is true:

7 1. Assessment of the premium would impose an undue hardship on the  
8 individual and, would fail to remove barriers to employment for the individual or  
9 would fail to increase access to health care for the individual.

10 2. Assessment of the premium would reduce the cost-effectiveness of the  
11 medical assistance purchase plan.

12 (5) COMMUNITY OPTIONS PARTICIPANTS. From the appropriation under s. 20.435  
13 (7) (bd), the department shall pay the entry premium established under sub. (4) (c)  
14 for a person who is a participant in the community options program under s. 46.27  
15 (7), and may pay the entry premium calculated under sub. (4) (c) or the monthly  
16 premium calculated under sub. (4) (a), for an individual who is a participant in the  
17 community options program under s. 46.27 (11). No individual who is a participant  
18 in the community options program under s. 46.27 (11) may be required to pay a  
19 monthly premium calculated under sub. (4) (a) if the individual pays the amount  
20 calculated under s. 46.27 (6u) (c) 2.

21 (6) INSURED PERSONS. (a) Notwithstanding sub. (4) (a) 3., from the  
22 appropriation under s. 20.435 (4) (b), the department shall, on the part of an  
23 individual who is eligible for medical assistance under sub. (3), pay premiums for or  
24 purchase individual coverage offered by the individual's employer if the department



1 determines that paying the premiums for or purchasing the coverage will not be more  
2 costly than providing medical assistance.

3 (b) If federal financial participation is available, from the appropriation under  
4 s. 20.435 (4) (b), the department may pay medicare Part A and Part B premiums for  
5 individuals who are eligible for medicare and for medical assistance under sub. (3).

6 (7) DEPARTMENT DUTIES. The department shall do all of the following:

7 (a) Determine eligibility, or contract with a county department, as defined in  
8 49.45 (6c)(a) 3., or with a tribal governing body to determine eligibility, of individuals  
9 for the medical assistance purchase plan in accordance with sub. (3).

10 (b) Ensure, to the extent practicable, continuity of care for a medical assistance  
11 recipient under this section who is engaged in paid employment, or is enrolled in a  
12 home-based or community-based waiver program under section 1915 (c) of the  
13 Social Security Act, and who becomes ineligible for medical assistance.

14 **SECTION 9123. Nonstatutory provisions; health and family services.**

15 (1) HEALTH INSURANCE RISK-SHARING PLAN AND MEDICAL ASSISTANCE PURCHASE  
16 PLAN. The department of health and family services shall evaluate how to coordinate  
17 the health insurance risk-sharing plan under chapter 149 of the statutes, as affected  
18 by this act, and the medical assistance purchase plan under section 49.472 of the  
19 statutes, as created by this act. If necessary, the department shall develop proposed  
20 legislation that coordinates the programs and that addresses the provision of health  
21 care coverage for individuals who are eligible for both programs.

22 (END)