

2001 DRAFTING REQUEST

Bill

Received: 10/24/2000

Received By: **isagerro**

Wanted: As time permits

Identical to LRB:

For: **Mary Hubler (608) 266-2519**

By/Representing: **Lynn Ansfield**

This file may be shown to any legislator: **NO**

Drafter: **isagerro**

May Contact:

Alt. Drafters:

Subject: **Public Assistance - med. assist.**

Extra Copies: **DAK**

Pre Topic:

No specific pre topic given

Topic:

Exempt depreciations claimed for farm-related property from income under Badgercare

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	isagerro 12/13/2000	gilfokm 12/14/2000	jfrantze 12/18/2000	_____	lrb_docadmin 12/18/2000	lrb_docadminState 01/26/2001	
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/2			kfollet 03/15/2001	_____	lrb_docadmin 03/15/2001	lrb_docadminState 03/15/2001	

FE Sent For:

<END>

Handwritten notes:

- 03-20-01 ✓
- "12"
- Requested by ISR

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Handwritten note:
PAs: Please email copy to Rachel Carroll at LRB
Thanks!

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FE Sent For:

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1/1	isagerro	<i>[Signature]</i> 12-14-00 1-12/14 <i>[Signature]</i>	<i>[Signature]</i> 12/16	<i>[Signature]</i> 12/18			

FE Sent For:

<END>



Mary Hubler

State Representative

1999 BILL REQUEST FORM

Drafter: Debora Kennedy 266-0137

Date: October 19, 2000

Legislator: Representative Mary Hubler

Person submitting request: Lynn Ansfield 6-2519

The Problem: Under BadgerCare, farm income for determining eligibility is calculated by adding depreciation back to net income [S. 49.665(4)(a)1 and Admin. Code HFS 103.07(2)(a) attached].

Drafting Request: Amend S. 49.665(4)(a)1 to prohibit DHFS from adding back depreciation to net income as a criterion for determining farm income for BadgerCare eligibility under Admin. Code HFS 103.07(2)(a) and increase the BadgerCare appropriation by the amount needed to cover the additional eligible farm families.

Rachel Carabell in Fiscal Bureau is working on the cost calculation so that the appropriation can be included in the draft.

amts claimed for depreciation of farm-related property
[Handwritten signature]

Unofficial Text (See Printed Volume). Current through date and Register shown on Title Page.

1-1-94: renum. (3) (a) to (e) to be (3) (b), (d), (f), (g) and (j), cr. (4) (at), Register, August, 1994, No. 464, eff. 9-1-94.

HFS 103.07 Income. (1) SPECIAL SITUATIONS OF INSTITUTIONALIZED PERSONS. (a) *Support received by institutionalized persons.* 1. Any financial support or contribution received by an institutionalized person shall be considered available when determining the eligibility of that person for MA.

2. The income and assets of the parents of children under age 18 who reside in institutions shall be evaluated by the department to determine whether, pursuant to s. 46.10 (14), Stats., collections may be made from one or both parents. If the child is residing in an institution not specified in s. 46.10 (14), Stats., but the institution is approved to receive MA payments, the parental liability shall be the same as that provided in s. 46.10 (14), Stats., and collected in the same manner.

3. The agency shall decide if the spouse of an institutionalized applicant or recipient should be referred for support action under s. 49.90, Stats. When deciding whether to refer for support action, the agency shall consider the spouse's basic essential needs and present and future expenses. In no case may support from the spouse of an institutionalized applicant or recipient be pursued when the spouse's assets, not counting homestead property and a motor vehicle, or, if applicable, not counting assets excluded under s. HFS 103.075 (5) (b) 2., are less than the amount provided under s. 49.47 (4) (b) 3g, Stats., or, if applicable, the spousal asset share under s. 49.455 (6) (b), Stats., and when the spouse's income is less than the spousal monthly income allowance under s. 49.455 (4) (b), Stats.

(b) *Allocation of institutionalized person's income to dependents outside the institution.* Except as provided under s. HFS 103.075 (6), no allocation may be made from an institutionalized applicant's or recipient's income to a spouse who is eligible for SSI but who refuses to obtain SSI. Except as provided under s. HFS 103.075 (6), no allocation may be made to a spouse or to minor children under the spouse's care if the spouse or any of the children are receiving AFDC or SSI. Otherwise, allocations shall be made as follows:

1. If the spouse is caring for a minor child for whom either the institutionalized person or the spouse is legally responsible, the AFDC assistance standard plus expenses that would be allowed under s. HFS 103.04 (3) shall be used to determine the need of the spouse and children. If their total net income is less than their need, income of the institutionalized person shall be allocated in an amount sufficient to bring the spouse's and children's income up to their monthly need. In this subdivision, "total net income" means income equal to unearned income plus net earned income, and "net earned income" means income equal to gross earned income minus work-related expenses according to requirements of AFDC. Income disregards of the AFDC program under 45 CFR 233.20 (a) shall be used as appropriate in computing income.

2. If the spouse is not caring for a minor child, the SSI payment level for one person living in that person's own household shall be used to determine the spouse's monthly need. The spouse's earned income shall be netted by subtracting the work-related expenses according to sub. (3) and \$20. from earned or unearned income or both. If the spouse's net income is less than the spouse's monthly need, income of the institutionalized person may be allocated in an amount sufficient to bring the spouse's income up to monthly need. Income disregards of the SSI program under 20 CFR 416.1112 and 416.1124 shall be used as appropriate in computing income.

3. The following amounts shall be excluded when computing the income of the spouse and children under subd. 1. or the spouse alone under subd. 2:

- a. All earnings of a child less than 14 years old, or less than 18 years old when the child is a full-time student;
- b. All earnings of a child less than 18 years old who attends school part-time and is employed fewer than 30 hours a week;

c. Any portion of any grant, scholarship or fellowship used to pay the costs of tuition, fees, books and transportation to and from classes;

d. Amounts received for foster care or subsidized adoption;

c. The bonus value of food stamps and the value of foods donated by the federal department of agriculture;

f. Home produce grown for personal consumption; and

g. Income actually set aside for the post-high school education of a child who is a junior or senior in high school.

(c) *When both spouses are institutionalized and there is an application for MA.* When both spouses are institutionalized, the following shall apply:

1. If one spouse applies for MA, the total income of both spouses may be combined to ascertain if their combined income is less than total need, provided that the spouse not applying has income exceeding that spouse's needs and is willing to make that income available;

2. If the combined income of both spouses is less than total need, separate determinations shall be made to see if either spouse has excess income. Any excess may be allocated to the other spouse. Either one or both of the spouses may be eligible depending on income allocation; and

3. If the combined income of both spouses exceeds total need, separate determinations shall be made. Only the actual amount of income made available from one spouse to the other may be used in determining the eligibility of the other spouse. If the spouse refuses to make a reasonable amount available, the agency shall review the case under par. (a) 3. to determine if legal action for support should be taken pursuant to s. 49.90, Stats.

(d) *Computing income available towards cost of care.* Institutionalized recipients of MA who are determined eligible under s. HFS 103.06 and this section shall apply their available income toward the cost of their care after deducting the income disregards in this paragraph. In this paragraph, "available income" means any remaining income after the following reductions are made:

1. A personal needs allowance, as provided under s. 49.45 (7) (a), Stats., and

2. If employed, the first \$65 and one-half of the remainder of gross earnings;

3. The cost of health insurance;

4. Necessary medical or remedial care recognized under state law but not covered by MA;

5. The actual amount paid by the institutionalized person for support of a person for whom the institutionalized person is legally responsible but not to exceed the appropriate AFDC assistance standard unless the institutionalized person is paying court-ordered support in an amount greater than the AFDC assistance standard in s. 49.19 (11) (a) 1., Stats.; and

6. The monthly cost of maintaining a home when the conditions of s. HFS 103.06 (1) (b) 3. are met, but not to exceed the SSI payment level for one person living in that person's own household.

(2) **SPECIAL TYPES OF INCOME.** (a) *Farm and self-employment income.* Farm and self-employment income used in MA calculations shall be determined by adding back into the net earnings the following: ~~depreciation~~, personal business and entertainment expenses, personal transportation, purchases of capital equipment, and payments on the principal of loans. The total shall be divided by 12 to get monthly earnings. If no tax return has been filed, the individual shall complete a 1040 form of the internal revenue service (IRS) to determine net earnings or loss, or to anticipate, in case of relatively new businesses, net earnings as required by the IRS. If the latest income tax return does not accurately reflect the household's actual circumstances because the household has experienced a substantial increase or decrease in business, the agency shall calculate the self-employment income based on anticipated earnings. Agencies shall determine whether it is neces-

Unofficial Text (See Printed Volume). Current through date and Register shown on Title Page.

sary to use anticipated earnings on a case-by-case basis and shall document the reasons for the determination in the case record.

(b) *Contractual employment income.* Income received on other than an hourly or piecework basis from employment performed under a contract which is renewable on an annual basis shall be averaged over a 12-month period. Persons receiving this income shall be considered to receive compensation for the entire 12-month period even though actual compensation may only be received for part of the year.

Note: For example, if school teachers are paid 9 months a year, the wages they receive are to be averaged over a 12-month period.

(c) *In-kind benefits.* Predictable in-kind benefits received regularly and in return for a service or product delivered shall be treated as earned income in MA calculations. The value of the in-kind income is determined by using the prevailing wage rate in the local community for the type of work performed, but not less than the minimum wage for that type of work.

(d) *Income from providing room and board.* Net profit from room and board shall be treated as earned income in MA calculations. Net profit is determined by deducting the following expenses of providing room and board from the gross room and board income received:

1. Roomer only – \$15.00;
2. Boarder only – current food stamp allotment for one; and
3. Roomer and boarder – current food stamp allotment for one plus \$15.00.

(e) *Income from rentals.* When the owner reports rental income to the IRS as self-employment income, the procedures set forth in par. (a) shall be followed in MA calculations. If the owner does not report rental income to the IRS as self-employment income, net rental income shall be determined as follows:

1. When the owner is not an occupant, net rental income is the rental income minus the mortgage payment and verifiable operational costs;

2. When the owner receives rental income from a duplex or multiple rental unit building and the owner resides in one of the units, net rental income shall be computed according to the following method:

- a. Add the interest portion of the mortgage and other verifiable operational costs common to the entire operation;
- b. Multiply the number of rental units by the total in subd. 2. a.;
- c. Divide the result in subd. 2. b. by the total number of units;
- d. Add the result in subd. 2. c. to any operational costs paid by the owner that are unique to any rental unit; and
- e. Subtract the result in subd. 2. d. from the total rent payments. The result is net rental income.

(f) *Income of SSI child's parents.* Income of a disabled child's parents shall not be considered when determining the child's eligibility for MA if the child meets the conditions stated in 42 USC 1396a (e) (3).

(g) *Income disregards.* Income disregards of the AFDC program under 45 CFR 233.20 (a) and of the SSI program under 20 CFR 416.1112 and 416.1124 shall be used as appropriate.

(h) *Income from land contracts.* Income received from a land contract shall be counted as unearned income. If the income is received on a monthly basis, it shall be included as monthly income. Payments received on less than a monthly basis shall be prorated to a monthly amount over the period between payments. Any expenses that the applicant or recipient is required to pay under the terms of the land contract shall be deducted from the gross income received from the land contract.

(i) *Interest income.* 1. Interest income shall be counted as unearned income when:

- a. It is received on a regular basis; and
- b. It exceeds \$20.00 per month. Amounts of \$20.00 or less are considered inconsequential income and are disregarded.

2. The interest shall be counted as income in the month in which it is received. Interest income that is received less often than monthly shall be prorated over the period the payment covers.

(3) *DEDUCTIONS FROM EARNED INCOME.* (a) *Work-related deduction.* If an individual is employed, \$90 shall be deducted from the individual's earned income when determining MA eligibility.

(b) *Dependent care deductions.* When employment cannot be maintained without dependent care for a child or incapacitated adult in the MA or fiscal test group, the following deductions shall be applied:

1. The actual cost of care but not more than \$175 each month for each dependent child age 2 or over or incapacitated adult; and
2. The actual cost of care but not more than \$200 each month for each dependent child under age 2.

(c) *Special deductions for employed blind persons.* Transportation expenses incurred in getting to and from work, expenses related to job performance and expenses related to improving job ability such as training meant to improve employability and increase earning power shall be deducted from the earned income of blind persons.

Note: Examples of expenses related to job performance are a reader, translation of material into braille, the cost and upkeep of a seeing eye dog for a blind person, and the cost of a prosthesis.

(4) *DEDUCTION FROM ANY INCOME FOR SUPPORT TO AN INSTITUTIONALIZED PERSON.* If a person in the MA group has legal responsibility for a person residing in an institution where the cost of care cannot be covered by MA, any income actually made available by the MA group toward the institutional cost of care shall be deducted from the MA group's income.

History: Cf. Register, February, 1986, No. 362, eff. 3-1-86; cr. (2) (i), Register, July, 1989, No. 403, eff. 8-1-89; emerg. r. and recr. (3) (a) and (b), eff. 10-2-89; r. and recr. (3) (a) and (b), Register, March, 1990, No. 411, eff. 4-1-90; am. (1) (a) 3., (b) (intro.), (c) 3. and (d) (intro.), r. and recr. (1) (d) 1., cr. (2) (i), Register, March, 1993, No. 447, eff. 4-1-93; correction in (1) (a) 3. and (2) (e) 2. made under s. 13.93 (2m) (b) 7., Stats., Register, April, 1999, No. 520.

HFS 103.075 Prevention of spousal impoverishment.

(1) *APPLICABILITY.* For resource eligibility, this section applies to all institutionalized applicants for and recipients of MA who began a continuous period of institutionalization on or after September 30, 1989, and to their spouses. For purposes of computing income available towards the cost of an institutionalized individual's care, this section applies to all institutionalized applicants for and recipients of MA who were residing in an institution on October 1, 1989, or who entered an institution subsequent to that date, and to their spouses.

(2) *PURPOSE.* This section implements s. 49.455, Stats., which provides for protection of a couple's income and resources when one spouse is institutionalized and the other spouse lives in the community.

(3) *DEFINITIONS.* In this section:

(a) "Community spouse" means an individual who is legally married as recognized under state law to an institutionalized spouse but is not himself or herself an institutionalized individual.

(b) "Consumer price index" means the consumer price index for all urban consumers, U.S. city average, as determined by the U.S. department of labor.

(c) "Continuous period of institutionalization" means an individual has resided in or is likely to remain in an institution for at least 30 consecutive days.

(d) "Family member" means a minor or dependent child, dependent parent or dependent sibling of an institutionalized or community spouse who resides with the community spouse.

(e) "Institutionalized spouse" means either an individual who is in a medical institution or nursing facility and is legally married to an individual who is not in a medical institution or nursing facility or an individual who receives services under a waiver under 42 USC 1396u (c) or (d) and is legally married to an individual who is not in a medical institution or nursing facility and does not receive services under a waiver under 42 USC 1396n (c) or (d).

49.665(4)(a)1.

1. The family's income does not exceed 185% of the poverty line, except as provided in par. (at) and except that a family that is already receiving health care coverage under this section may have an income that does not exceed 200% of the poverty line. The department shall establish by rule the criteria to be used to determine income.

Subject to par. (d), the income under this subsection
For purposes of determining ~~the~~ the department may
not include ~~debits~~ ^{depreciation of} claimed for farm-
related property ~~in~~ calculating an individual's
farm income. _{when}



ISR:....
rs & King

2001 BILL

in 12/13/00
Gen
Cos

1 AN ACT ...; relating to: exempting amounts claimed for depreciation of
2 farm-related property from income calculations under the badger care health
3 care program.

Analysis by the Legislative Reference Bureau The BadgerCare

Currently, the department of health and family services (DHFS) administers the badger care health care (BadgerCare) program. The program provides health care coverage to eligible low-income families and to eligible low-income children who do not reside with a parent. A family or child is generally considered low-income if the family's income or child's income does not exceed 185% of the poverty line. Current law requires DHFS to promulgate rules to establish the criteria used to calculate a family's or child's income for purposes of determining eligibility for the BadgerCare program.

* This bill requires DHFS to exclude from the income calculation any amounts claimed for depreciation of farm-related property for income tax purposes

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

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

4 SECTION 1. 49.665 (4) (a) 1. of the statutes is amended to read:

BILL

1 49.665 (4) (a) 1. The family's income does not exceed 185% of the poverty line,
 2 except as provided in par. (at) and except that a family that is already receiving
 3 health care coverage under this section may have an income that does not exceed
 4 200% of the poverty line. The Subject to par. (d), the department shall establish by
 5 rule the criteria to be used to determine income.

History: 1997 a. 27, 237; 1999 a. 9.

6 ~~SECTION 2.~~ 49.665 (4) (d) of the statutes is created to read:

7 49.665 (4) (d) For purposes of calculating a family's or child's income under this
 8 subsection, the department shall exclude from the calculation amounts claimed for
 9 depreciation of farm-related property. *for income tax purposes*

10 **SECTION 3. Initial applicability.**

11 (1) This act first applies to eligibility determinations for the badger care health
 12 care program that are made on the effective date of this subsection.

13 (END)



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
5TH FLOOR
MADISON, WI 53701-2037

STEPHEN R. MILLER
CHIEF

LEGAL SECTION: (608) 266-3561
LEGAL FAX: (608) 264-6948

December 18, 2000

MEMORANDUM

To: Representative Hubler

From: Ivy G. Sager-Rosenthal, Legislative Attorney

Re: LRB-0785 Exempt depreciations claimed for farm-related property from income under Badgercare

The attached draft was prepared at your request. Please review it carefully to ensure that it is accurate and satisfies your intent. If it does and you would like it jacketed for introduction, please indicate below for which house you would like the draft jacketed and return this memorandum to our office. If you have any questions about jacketing, please call our program assistants at 266-3561. Please allow one day for jacketing.

JACKET FOR ASSEMBLY JACKET FOR SENATE

If you have any questions concerning the attached draft, or would like to have it redrafted, please contact me at (608) 261-4455 or at the address indicated at the top of this memorandum.

If the last paragraph of the analysis states that a fiscal estimate will be prepared, the LRB will request that it be prepared after the draft is introduced. You may obtain a fiscal estimate on the attached draft before it is introduced by calling our program assistants at 266-3561. Please note that if you have previously requested that a fiscal estimate be prepared on an earlier version of this draft, you will need to call our program assistants in order to obtain a fiscal estimate on this version before it is introduced.

Please call our program assistants at 266-3561 if you have any questions regarding this memorandum.

* Lynn, Rep. Hubler

- want bill to exclude any type of depreciation claimed by farmers or self-employed individuals

- talk w/ Rachael Casabell, LFB

- does DAFS need a waiver? Amend AFDC plan?

- email Jim Jones, John LaPhillips at DAFS

- not nec. to include lang. to amend AFDC plan

- not going to need waiver if certain income levels aren't exceeded 42 USC 1396u-1(b)
42 USC 1396a(c)(2)

RM not run

2001 BILL

By Friday
3/16
if possible
Thanks!

Gen. Cat.

Farm

1 AN ACT to amend 49.665 (4) (a) 1.; and to create 49.665 (4) (d) of the statutes;

2 relating to: exempting amounts claimed for depreciation ~~for farm-related~~

3 ~~property for income calculations~~ under the badger care health care program ^{for purposes of calculating farm and self-employment income} medical assistance and

medical assistance (MA) and Analysis by the Legislative Reference Bureau (I) Insert A ✓

Currently, the department of health and family services (DHFS) administers the badger care health care (BadgerCare) program. The BadgerCare program provides health care coverage to eligible low-income families and to eligible low-income children who do not reside with a parent. A family or child is generally considered low-income if the family's income or child's income does not exceed 185% of the poverty line. Current law requires DHFS to promulgate rules to establish the criteria used to calculate a family's or child's income for purposes of determining eligibility for the BadgerCare program.

This bill requires DHFS to exclude from the income calculation any amounts claimed for depreciation of farm-related property for income tax purposes.

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

Insert 1-4

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

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BILL

SECTION 1

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 4 200% of the poverty line. ~~The Subject to par. (d),~~ the department shall establish by
 5 rule the criteria to be used to determine income.

SECTION 2. 49.665 (4) (d) of the statutes is created to read:

7 49.665 (4) (d) For purposes of calculating a family's or child's income under this
 8 subsection, the department shall exclude from the calculation ^{of farm or self-employment} amounts claimed for ^{income}
 9 depreciation ~~on farm-related property~~ ^{any} for income tax purposes.

SECTION 3. Initial applicability.

11 (1) This act first applies to eligibility determinations for the ^{medical assistance and} badger care health
 12 care program^s that are made on the effective date of this subsection.

(END)



Inset A ✓

State of Wisconsin
2001 - 2002 LEGISLATURE

From

LRB-0460/1
ISR:hmh:pg

DOA: Mullikin - MA eligibility changes

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau
HEALTH AND HUMAN SERVICES

As part of the MA program MEDICAL ASSISTANCE s health care services and benefits

Under current law, DHFS is required to provide medical assistance (MA) to individuals who meet the requirements under one of the following MA eligibility categories:

1. (AFDC-MA) Under this category, individuals who meet the non-financial and financial requirements for the federal aid to families with dependent children (AFDC) program that were in effect on July 16, 1996, are eligible to receive MA. The AFDC program was replaced with the federal temporary assistance for needy families program on July 16, 1996. Generally, individuals who may qualify under the AFDC-MA category are certain children under 19 years of age, their caretaker relatives, and pregnant women in the eighth or ninth month of pregnancy.

2. (AFDC-related MA) This category includes certain children 19 years of age or younger, their caretaker relatives, and pregnant women throughout the entire pregnancy who meet the income and asset requirements of the AFDC program that were in effect on July, 16, 1996, but who would not have received an AFDC payment. Also eligible under this category are children under the age of 18 and pregnant women whose incomes, because of medical expenses, do not exceed 133.33% of the maximum payment under the AFDC program, and whose assets do not exceed certain asset limits.

(I)

This bill eliminates the asset requirements for the AFDC-MA and AFDC-related MA categories.

Also, under current law, in determining whether individuals qualify for certain MA eligibility categories, DHFS is required to calculate the individual's income using income methodologies that were used to calculate income under the AFDC program on July 16, 1996. These income methodologies are used to determine eligibility for the following MA eligibility categories:

1. AFDC-MA and AFDC-related MA.

3. ~~2)~~ (Healthy Start.) This category includes children between the ages of six and 19 whose incomes do not exceed 100% of the federal poverty line, children under the age of six and pregnant women whose incomes do not exceed 133.33% of the federal poverty line, and children under the age of six and pregnant women whose incomes, ~~because of medical expenses,~~ do not exceed 185% of the federal poverty line.

3. Presumptive eligibility. This category covers pregnant women who a health care provider has preliminarily determined qualify for MA. A pregnant woman is eligible for MA under this category until she formally applies for MA, or until the end of the month in which the health provider made the preliminary eligibility determination, whichever is earlier.

4. Migrant workers. Under this category, individuals who are migrant workers and whose incomes do not exceed 133.33% of the maximum payment under the AFDC program are eligible to receive MA.

Under current federal law, DHFS may use income methodologies that are less restrictive than those used under the AFDC program on July 16, 1996, to determine whether an individual qualifies for MA under one of the eligibility categories for which DHFS currently uses AFDC income methodologies. This bill authorizes DHFS to use less restrictive income methodologies to determine eligibility for the AFDC-MA, AFDC-related, Healthy Start, presumptive eligibility, and migrant workers MA eligibility categories.

Also under current law, certain individuals who meet the income and asset requirements of the federal supplemental security income (SSI) program are eligible to receive MA. These individuals include all of the following:

1. Individuals who are 65 years of age or older.
2. Blind or disabled individuals.
3. Individuals infected with tuberculosis.

Also under current law, individuals who are 65 years of age or older or disabled individuals whose income does not exceed 100% of the federal poverty line and whose assets do not exceed 200% of the allowable resources under the SSI program may be eligible to receive certain MA benefits. Finally under current law, individuals who would be eligible for the SSI program except that their income and assets exceed the SSI income and asset requirements because of the individual's employment, may also be eligible to receive certain MA benefits.

For purposes of determining whether an individual meets the asset requirements under the SSI program and is eligible for MA, DHFS must exclude life insurance policies if the total face value of all of the policies does not exceed \$1,500.

end of
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"A"

Insert A-1 ✓

new #1 Currently, in calculating an individual's income for the MA or BadgerCare programs, if the individual has farm or self-employment income, DHFS calculates the amount of that income by adding the amount ^{that} the individual claimed for depreciation to the amount of the individual's net taxable income.

new #1 This bill prohibits DHFS from adding any amounts claimed for depreciation to an individual's net taxable farm or self-employment income for purposes of determining whether an individual meets the income limits for the AFDC-MA, AFDC-related MA, and Healthy Start eligibility categories and the BadgerCare program.

Insert 1-4 (several pages)

This bill requires DHFS to exclude life insurance policies from the asset calculation if the total face value of all of the policies does not exceed \$5,000.

Also under current law, DHFS administers the badger care health program which provides health care to low-income families and low-income children who do not reside at home. A family is defined as a unit that consists of at least one child, his or her parent or parents, and, if any, the spouse of a parent, all of whom, reside in the same household.

This bill expands the definition of family under the badger care health care program to include a unit that consists of at least one child, his or her caretaker relative, and, if any, the spouse of a caretaker relative, all of whom reside in the same household. The bill defines a caretaker relative as the child's stepparent, brother, sister, stepbrother, stepsister, first cousin, nephew, niece, aunt, uncle, or any person of a preceding generation as denoted by the prefix of grand, great, or great-great, whether by blood, marriage, or legal adoption, or the spouse of any of these individuals, even if the marriage is terminated by death or divorce.

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

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

1 SECTION 1. 49.46 (1) (a) 1. of the statutes is amended to read:

2 49.46 (1) (a) 1. Any person included in the Notwithstanding s. 49.19 (20), any
 3 individual who, without regard to the individual's resources and subject to par. (ar),
 4 would qualify for a grant of aid to families with dependent children and any person
 5 who does under s. 49.19.

6 1g. Notwithstanding s. 49.19 (20), any individual who, without regard to the
 7 individual's resources and subject to par. (ar), would qualify for a grant of aid to
 8 families with dependent children but who would not receive such the aid solely
 9 because of the application of s. 49.19 (11) (a) 7.

10 SECTION 2. 49.46 (1) (a) 1m. of the statutes is amended to read:

11 49.46 (1) (a) 1m. Any pregnant woman who meets the resource and whose
 12 income limits does not exceed the standard of need under s. 49.19 (4) (bm) and (es)
 13 (11), as determined under par. (ar), and whose pregnancy is medically verified.

1 Eligibility continues to the last day of the month in which the 60th day after the last
2 day of the pregnancy falls.

3 SECTION 3. 49.46 (1) (a) 6. of the statutes is amended to read:

4 49.46 (1) (a) 6. Any person not described in pars. (c) to (e) who is, ~~without regard~~
5 ~~to the individual's resources and~~ subject to par. (ar), would be considered, under
6 federal law, to be receiving aid to families with dependent children for the purpose
7 of determining eligibility for medical assistance.

8 SECTION 4. 49.46 (1) (a) 6m. of the statutes is amended to read:

9 49.46 (1) (a) 6m. Any person not described in pars. (c) to (e) who, subject to par.
10 (at), is considered, under federal law, to be receiving supplemental security income
11 for the purpose of determining eligibility for medical assistance.

12 SECTION 5. 49.46 (1) (a) 9. of the statutes is amended to read:

13 49.46 (1) (a) 9. Any pregnant woman not described under subd. 1., 1g. or 1m.
14 whose family income does not exceed 133% of the poverty line for a family the size
15 of the woman's family.

16 SECTION 6. 49.46 (1) (a) 10. of the statutes is amended to read:

17 49.46 (1) (a) 10. Any child not described under subd. 1. or 1g. who is under 6
18 years of age and whose family income as determined under par. (ar) does not exceed 133% of the poverty line for
19 a family the size of the child's family.

20 SECTION 7. 49.46 (1) (a) 11. of the statutes is amended to read:

21 49.46 (1) (a) 11. If a waiver under s. 49.665 is granted and in effect, any child
22 not described under subd. 1. or 1g. who has attained the age of 6 but has not attained
23 the age of 19 and whose family income as determined under par. (ar) does not exceed 100% of the poverty line for
24 a family the size of the child's family. If a waiver under s. 49.665 is not granted or
25 in effect, any child not described in subd. 1. or 1g. who was born after September

1 30,1983, who has attained the age of 6 but has not attained the age of 19 and whose
2 family income does not exceed 100% of the poverty line for a family the size of the
3 child's family.

4 SECTION 8. 49.46 (1) (a) 12. of the statutes is amended to read:

5 49.46 (1) (a) 12. Any child not described under subd. 1. or 1g. who is under 19
6 years of age and ~~who meets the resource and~~ whose income limits does not exceed the
7 standard of need under s. 49.19 (4) (11), as determined under par. (ar).

8 SECTION 9. 49.46 (1) (a) 15. of the statutes is amended to read:

9 49.46 (1) (a) 15. Any individual who is infected with tuberculosis and meets the
10 income and resource eligibility requirements for the federal supplemental security
11 program under 42 USC 1381 to 1383d 1385, as calculated under par. (at).

12 SECTION 10. 49.46 (1) (ar) of the statutes is created to read:

13 49.46 (1) (ar) 1. Except as provided in subd. 2. and except to the extent that the
14 determination is inconsistent with 42 USC 1396a (a) ⁽¹⁷⁾ ~~17~~ for the purposes of
15 determining whether an individual under par. (a) 1., 1g., or 6. ~~or s. 49.465 (2)~~ would
16 qualify for a grant of aid to families with dependent children under s. 49.19, or
17 whether an individual meets the income limits under par. (a) 1m., 9., 10., 11., or 12.,
18 "income" includes income that would be used in determining eligibility for aid to
19 families with dependent children under s. 49.19 and excludes income that would be
20 excluded in determining eligibility for aid to families with dependent children under
21 s. 49.19.

22 2. Notwithstanding s. 49.19 (5), for purposes of ^{calculating} ~~determining~~ whether an
23 individual under par. (a) 1., 1g., or 6. would qualify for a grant of aid to families with
24 dependent children under s. 49.19, or whether an individual meets the income limits
25 under par. (a) 1m., 9., 10., 11., or 12., (am), or (e), the department ^{may use income} ~~shall use income~~

shall exclude from the calculation of farm or self-employment
income any amounts claimed for depreciation for
income tax purposes

methodologies that are less restrictive than the income methodologies that were used to calculate income for determining eligibility for a grant of aid to families with dependent children under s. 49.19 on July 16, 1999.

****NOTE: This SECTION contains the income methodology for the AFDC, AFDC-related, Healthy Start, and presumptive eligibility categories.

SECTION 11. 49.46 (1) (at) of the statutes is created to read:

49.46 (1) (at). For purposes of calculating an individual's income under par. (a) 6m. or 15. or (e), the department shall calculate income as provided in 42 USC 1381 to 1385. For purposes of calculating an individual's resources under par. (a) 6m. or 15. or (e), the department shall exclude all assets that are excluded from the resource calculation under 42 USC 1382b (a) and exclude any life insurance policies with cash surrender values if the total face value of all of the policies exceeds \$1,500 but does not exceed \$5,000.

****NOTE: This SECTION contains the income methodology for SSI-related and TB-related MA. The SECTION also contains the increase in the value of life insurance policies that must be excluded from the asset calculation for SSI-related and tuberculosis-related MA. Also, there is no need to specify that household and personal possessions are excluded from the asset calculation as they are already excluded under 42 USC 1382b (a) (2) (A).

SECTION 12. 49.46 (1) (e) of the statutes is amended to read:

49.46 (1) (e) If an application under s. 49.47 (3) shows that the person has plain individual meets the income and resources within the limitations of limits under s. 49.19, as calculated under par. (ar), or meets the income and resource requirement S under federal Title XVI or s. 49.77, as calculated under par. (ar), or that the person is an essential person, an accommodated person or a patient in a public medical institution, the person shall be granted the benefits enumerated under sub. (2) whether or not the person requests or receives a grant of any of such aids.

SECTION 13. 49.46 (1) (L) of the statutes is repealed.

1 SECTION 16. 49.468 (2) (b) of the statutes is renumbered 49.468 (2) (b) (intro.)
2 and amended to read:

3 49.468 (2) (b) (intro.) Benefits under par. (a) are available for an individual who
4 has meets all of the following requirements:

5 1. The individual's resources that are equal to or less than 200% of the
6 allowable resources limit under 42 USC 1381 to 1385 and 1382 (a) (3) (A). For
7 purposes of calculating the amount of an individual's resources, the department
8 shall exclude the resources excluded under 42 USC 1382b (a) and any life insurance
9 policies with cash surrender values if the total face value of all of the insurance
10 policies exceeds \$1,500 but does not exceed \$5,000.

11 2. The individual's income that is equal to or less than 200% of the poverty line.

12 SECTION 17. 49.47 (4) (a) 1. of the statutes is amended to read:

13 49.47 (4) (a) 1. ~~Under 18~~ At least 19 years of age but under 21 years of age or,
14 if the person and resides in an intermediate care facility, skilled nursing facility, or
15 inpatient psychiatric hospital, ~~under 21 years of age.~~

~~***NOTE: This SECTION exempts individuals who are under 19 years of age from the asset requirement. See s. 49.47 (4) (ag) (intro.) and 1. as created in SECTIONS 19 and 20 of this bill.~~

16 SECTION 18. 49.47 (4) (a) 2. of the statutes is renumbered 49.47 (4) (ag) 2

~~***NOTE: This SECTION exempts pregnant women from the asset requirements. See s. 49.47 (4) (ag) (intro.), as created in this bill.~~

17 SECTION 19. 49.47 (4) (ag) (intro.) of the statutes is created to read:

18 49.47 (4) (ag) (intro.) Any individual whose income does not exceed the limits
19 under par. (c) and who complies with par. (cm) is eligible for medical assistance under
20 this section if the individual is one of the following:

21 SECTION 20. 49.47 (4) (ag) 1. of the statutes is created to read:

49.47 (4) (ag) 1. Under the age of 18

1 SECTION 21. 49.47 (4) (am) 1. of the statutes is amended to read:

2 49.47 (4) (am) 1. A pregnant woman whose family income, as determined under
3 par. (cg), does not exceed 155% of the poverty line for a family the size of the woman's
4 family, except that, if a waiver under par. (j) or a change in the approved state plan
5 under s. 49.46 (1) (am) 2. is in effect, the income limit is 185% of the poverty line for
6 a family the size of the woman's family in each state fiscal year after the 1994-95
7 state fiscal year.

8 SECTION 22. 49.47 (4) (am) 2. of the statutes is amended to read:

9 49.47 (4) (am) 2. A child who is under 6 years of age and whose family income,
10 as determined under par. (cg), does not exceed 155% of the poverty line for a family
11 the size of the child's family, except that, if a waiver under par. (j) or a change in the
12 approved state plan under s. 49.46 (1) (am) 2. is in effect, the income limit is 185%
13 of the poverty line for a family the size of the child's family in each state fiscal year
14 after the 1994-95 state fiscal year.

15 SECTION 23. 49.47 (4) (b) 2m. a. of the statutes is amended to read:

16 ~~49.47 (4) (b) 2m. a. For persons who are eligible under par. (a) 1. or 2., one~~
17 ~~vehicle is exempt from consideration as an asset. A 2nd vehicle is exempt from~~
18 ~~consideration as an asset only if the department determines that it is necessary for~~
19 ~~the purpose of employment or to obtain medical care. The equity value of any~~
20 ~~nonexempt vehicles owned by the applicant is an asset for the purposes of~~
21 ~~determining eligibility for medical assistance under this section.~~

22 SECTION 24. 49.47 (4) (b) 2w. of the statutes is amended to read:

23 49.47 (4) (b) 2w. For a person who is eligible under par. (a) 3. or 4., life insurance
24 with cash surrender values if the total face value of all life insurance policies is not
25 more than \$1,500 \$5,000.

***NOTE: This SECTION increases the life insurance cap for medically needy SSI-related individuals.

1 SECTION 25. 49.47 (4) (c) 1. of the statutes is repealed and recreated to read:

2 49.47 (4) (c) 1. Except as provided in par. (am) and subd. 3., an applicant is
3 eligible to receive medical assistance under this subsection if the applicant's total
4 income, as determined under par. (cg), does not exceed 133 1/3% of the maximum aid
5 to families with dependent children payment under s. 49.19 (11) for the applicant's
6 family size or the combined benefit amount available under supplemental security
7 income under 42 USC 1381 to 1383c and state supplemental aid under s. 49.77,
8 whichever is higher. ^

9 SECTION 26. 49.47 (4) (cg) 1. of the statutes is created to read:

10 49.47 (4) (cg) 1. Except as provided in subd. 3., for purposes of determining
11 whether an individual's income meets the income requirements under par. (c),
12 "income" includes all of the individual's earned and unearned income that would be
13 included in determining eligibility for the individual or family under s. 49.19 or
14 49.77, or for the aged, blind, or disabled individual under 42 USC 1381 to 1385 and
15 "income" does not include earned and unearned income that would be excluded in
16 determining eligibility for the individual or family under s. 49.19 or 49.77, or for the
17 aged, blind, or disabled individual under 42 USC 1381 to 1385.

18 SECTION 27. 49.47 (4) (cg) 3. of the statutes is created to read:

19 49.47 (4) (cg) 3. Notwithstanding s. 49.19 (5), for purposes of determining
20 whether an individual under par. (a) ^{1m. or 2. or} (am) ^{or (am)} is eligible for medical assistance,
21 the department ~~may use income methodologies that are less restrictive than the~~
22 ~~income methodologies that were used to calculate income for determining eligibility~~
23 ~~for a grant of aid to families with dependent children under s. 49.19 on July 16, 1994~~

shall exclude from the calculation of farm or self-employment income any amounts claimed for depreciation for income tax purposes.

***NOTE: This SECTION and SECTIONS 26 and 27 contain the income methodologies for medically needy MA.

1 SECTION 28. 49.47 (4) (h) of the statutes is renumbered 49.47 (4) (cg) 2. and
2 amended to read:

3 49.47 (4) (cg) 2. ~~For~~ Except as provided in subd. 3., for the purposes of par. (am),
4 “income” includes income that would be used in determining eligibility for aid to
5 families with dependent children under s. 49.19 and ~~excludes~~ does not include
6 income that would be excluded in determining eligibility for aid to families with
7 dependent children under s. 49.19.

8 SECTION 29. 49.47 (6) (a) 7. of the statutes is amended to read:

9 ~~49.47 (6) (a) 7. Beneficiaries eligible under sub. (4) (a) 2. (ag) 2. or (am) 1., for~~
10 ~~services under s. 49.46 (2) (a) and (b) that are related to pregnancy, including~~
11 ~~postpartum services and family planning services, as defined in s. 253.07 (1) (b), or~~
12 ~~related to other conditions which may complicate pregnancy.~~

13 SECTION 30. 49.472 (3) (b) of the statutes is amended to read:

14 ~~49.472 (3) (b) The individual's assets do not exceed \$15,000. In determining~~
15 ~~assets, the department may not include~~ shall exclude ~~assets that are excluded from~~
16 ~~the resource calculation under 42 USC 1382b (a) or assets accumulated in an~~
17 ~~independence account. The department shall also exclude from an individual's asset~~
18 ~~calculation any life insurance policies with cash surrender values if the total face~~
19 ~~value of all of the insurance policies exceeds \$1,500 but does not exceed \$5,000. The~~
20 ~~department may exclude, in whole or in part, the value of a vehicle used by the~~
21 ~~individual for transportation to paid employment.~~

***NOTE: This SECTION increases the life insurance cap for individuals eligible under MAPP. Also, there is no need to specify that household and personal possessions are excluded from the asset calculation as they are already excluded under 42 USC 1382b (a) (2) (A).

end of
INS. 1-4

Gretschmann, Karen

From: Gretschmann, Karen
Sent: Thursday, March 15, 2001 1:30 PM
To: Carabell, Rachel
Subject: 01-0785/2



01-0785/2

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