

**2001 DRAFTING REQUEST**

**Bill**

Received: **09/20/2000**

Received By: **isagerro**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Mullikin**

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:**

DOA:.....Mullikin -

**Topic:**

MA eligibility changes

**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>
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*14 WJ 1/29*

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1/25*

*kyf/pjh  
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*1/3 WLJ 1/19* *hnt 1/19* *chm 1/19* *Rm 1/19*

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#### Topic:

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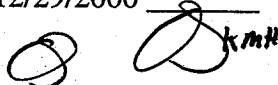
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#### Drafting History:

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mm  
01-0460

# DHFS

Department of Health and Family Services  
2001-2003 Biennial Budget Statutory Language Request  
September 13, 2000

Title: MA Policy Standardization

## Current Language

S. 49.19 (2) (p), 49.19 (4) (bm), 49.19 (5) (a), 49.46 (1), 49.47 (4), 49.47 (4) (b) 2., 49.47 (4) (b) 2w., 49.665 (4) (a) define Medical Assistance (MA) eligibility.

## Proposed Change

1. Amend s. 49.665 (4) (a) so that caretaker relatives as defined under s. 49.19 are eligible for health care coverage under BadgerCare.
2. Amend s. 49.19 (2) (p), s. 49.19 (4) (bm), s. 49.46 (1), and s. 49.47 (4) so that eligibility for Aid to Families with Dependent Children as it applies to MA eligibility is determined without determining the value of assets.
3. Amend s. 49.19 (5) (a), s. 49.46 (1), and s. 49.47 (4) so that eligibility for Aid to Families with Dependent Children as it applies to MA eligibility does not consider as income one half of earned monthly income plus \$65.
4. Amend 49.47 (4) (b) 2w. so that the total allowable cash surrender value of all life insurance policies is not more than \$5,000 for MA eligibility under 49.47 (4) (a) 3. or 4.
5. Delete 49.47 (4) (b) 2. so that eligibility for MA under 49.47 is determined without determining the value of household and personal possessions.

## Effect of the Change

This language will amend MA and BadgerCare eligibility requirements so that eligibility is more standard across individuals. Specifically, this language will expand BadgerCare eligibility to caretaker relatives, eliminate the asset test under AFDC-related MA eligibility, modify MA eligibility under Elderly/Disabled to allow up to \$5,000 in cash value of all total life insurance policies, eliminate the assessment of household and personal goods as assets under Elderly/Disabled MA, and exempt from income, as determined under AFDC-related MA eligibility, one half of earned monthly income plus \$65.

## **Rationale for the Change**

The Department is responding to a Health Care Financing Administration directive to eliminate barriers to accessing MA. Despite recent efforts to streamline MA eligibility and reduce barriers to enrollment, 31 separate sets of eligibility requirements still exist. As a result, the general public has difficulty understanding MA eligibility rules. In addition, the large number of different MA subprograms with their different sets of rules makes administration of MA extremely complicated.

The proposed changes modify eligibility requirements so that eligibility is more standard across individuals. MA will be less complicated, more easily understood by the public and easier to administer. The proposed modifications will allow a more standard treatment of assets between Elderly/Disabled MA and AFDC-related MA, and will standardize the treatment of caretaker relatives under BadgerCare and AFDC-related MA; family assets under AFDC-related MA, BadgerCare and Healthy Start; household and personal goods under Elderly/Disabled MA and all other MA subprograms; and earned income under AFDC-related MA and SSI MA.

<b>Desired Effective Date:</b>	Upon Passage of the Budget Bill
<b>Agency:</b>	DHFS
<b>Agency Contact:</b>	Anne Miller
<b>Phone:</b>	266-5422

## Sager-Rosenthal, Ivy

---

**From:** Mullikin, Melissa  
**Sent:** Tuesday, October 03, 2000 8:48 AM  
**To:** Sager-Rosenthal, Ivy  
**Subject:** FW: FW: Request 01-0460

Ivy,

Here are DIFG's responses to your questions on the MA policy standardization language request.

Thanks,  
Melissa

Melissa Mullikin  
Executive Policy and Budget Analyst  
State Budget Office  
267-7980

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

**From:** Miller, Anne  
**Sent:** Tuesday, October 03, 2000 8:18 AM  
**To:** Mullikin, Melissa  
**Cc:** Bove, Fredi-Ellen  
**Subject:** Re: FW: Request 01-0460

Hi Melissa!

I hope everything's going well. I've inserted my responses to Ivy's questions below:

> 1. Is income determined for AFDC-MA using all of the guidelines of s. 49.19 (5) (a)? I ask because the MA statutes refer only to the income requirements of s. 49.19 (4) (es). Section 49.19 (4) (es) does require that certain portions of an individual's income be disregarded, but does not include all of the income disregards of s. 49.19 (5) (a). Is the cite to (5) (a) correct or should the cite be (4) (es)?

Given the information above, amending 49.19 (4) (es) is fine.

> 2. If all of the income disregards of s. 49.19 (5) (a) are used to determine eligibility, which income disregard is being changed in this draft? My guess is 49.19 (5) (a) 4., but that is just a guess.

Because I agree with Ivy on question number 1 to amend 49.19 (4) (es), question 2 doesn't apply.

>Also, I do not understand #5 of the instructions. As I read the s. 49.47 (4) (b) 2., the value of household and personal possessions is already disregarded. I need more information on what the intent of #5 means.

Ivy's right. I believe the cite should be 49.47 (4) (b) 4.

Please feel free to contact me with any additional questions.

Anne Miller  
DHFS/OSF  
6-5422

**Sager-Rosenthal, Ivy**

---

**From:** Miller, Anne  
**Sent:** Tuesday, October 10, 2000 10:08 AM  
**To:** Sager-Rosenthal, Ivy  
**Cc:** Bove, Fredi-Ellen; Jones, James; Wood, Susan; Mullikin, Melissa  
**Subject:** Request 01-0460

Re: Expanding BadgerCare to Caretaker Relatives, Request 01-0460

Hi Ivy!

To both avoid referencing the obsolete AFDC statutes, and avoid potential problems of referencing Kinship Care, can we go ahead and plug the AFDC definition of Caretaker Relatives into the BadgerCare stats as you suggested?

Anne Miller  
DHFS/OSF  
6-5422



ISR: g...  
hmk  
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cjs

DOA:.....Mullikin - MA eligibility changes

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

DNOTE  
soon

Thank you!

Do not Gen

1 AN ACT relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**MEDICAL ASSISTANCE**

Under current law, a child or pregnant woman who would have been eligible to receive benefits under the former aid to families with dependent children (AFDC) program, a child under age six or a pregnant woman whose income does not exceed 185% of the federal poverty level, and a child between the age of six and 19 whose income does not exceed 133.33% of the maximum payment amount under the former AFDC program are eligible for the medical assistance (MA) program if they meet certain asset requirements. Currently, DHFS is required to exclude certain income from a child's or pregnant woman's total income for purposes of determining MA eligibility.

Under this bill, in addition to income that is currently excluded, one-half of a child's or pregnant woman's earned income plus \$65 must be excluded when calculating income for purposes of MA eligibility. This bill also eliminates the asset requirements for these children and pregnant women.

Also under current law, an individual age 65 or older or an individual who is blind or disabled is eligible for the MA program if he or she meets certain income and asset requirements. For purposes of determining whether an individual meets the asset requirements, DHFS must exclude from the asset calculation life insurance policies that have a face value of up to \$1,500. This bill increases the maximum value of life insurance policies that may be excluded for MA eligibility purposes to \$5,000.

Finally, under current law, DHFS administers the badgercare health care program which provides health care to low-income families and low-income children who do not reside at home. In addition to meeting certain financial and non-financial requirements, a family is eligible for the badgercare program if at least one child and his or her parent or parents reside in the same household. A parent's spouse is also eligible if the spouse resides in the same household as the child and parent.

This bill expands the badgercare health care program to include caretaker relatives if the caretaker relative resides in the same household as a child and meets the same financial and non-financial requirements that families currently must meet. The spouse of a caretaker relative is also eligible if the spouse resides in the same household as the child and caretaker relative. A caretaker relative is defined as the child's stepparent, stepbrother, stepsister, blood relative, including first cousin, nephew, niece, aunt, or 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, and 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.** 49.45 (35) of the statutes is amended to read:

2           49.45 (35) TRAINING FOR NONPROFIT ORGANIZATIONS. The department shall  
3 provide training to employees and volunteers of private nonprofit organizations  
4 concerning medical assistance eligibility under s. 49.47 of persons whose incomes  
5 exceed the levels under s. 49.47 (4) (am) and (c) 1. 1m. before consideration, under  
6 s. 49.47 (4) (c) 2., of the level of those persons' medical expenses.

History: 1971 c. 40 s. 93; 1971 c. 42, 125; 1971 c. 213 s. 5; 1971 c. 215, 217, 307; 1973 c. 62, 90, 147; 1973 c. 333 ss. 106g, 106h, 106j, 201w; 1975 c. 39; 1975 c. 223 s. 28; 1975 c. 224 ss. 54h, 56 to 59m; 1975 c. 383 s. 4; 1975 c. 411; 1977 c. 29, 418; 1979 c. 34 ss. 837f to 838, 2102 (20) (a); 1979 c. 102, 177, 221, 355; 1981 c. 20 ss. 839 to 854, 2202 (20) (r); 1981 c. 93, 317; 1983 a. 27 ss. 1046 to 1062m, 2200 (42); 1983 a. 245, 447, 527; 1985 a. 29 ss. 1026m to 1031d, 3200 (23), (56), 3202 (27); 1985 a. 120, 176, 269; 1985 a. 332 ss. 91, 251 (5), 253; 1985 a. 340; 1987 a. 27 ss. 989r to 1000s, 2247, 3202 (24); 1987 a. 186, 307, 339, 399; 1987 a. 403 s. 256; 1987 a. 413; 1989 a. 6; 1989 a. 31 ss. 1402 to 1452g, 2909g, 2909i; 1989 a. 107, 173, 310, 336, 351, 359; 1991 a. 22, 39, 80, 250, 269, 315, 316; 1993 a. 16 ss. 1362g to 1403, 3883; 1993 a. 27, 107, 112, 183, 212, 246, 269, 335, 356, 437, 446, 469; 1995 a. 20; 1995 a. 27 ss. 2947 to 3002r, 7299, 9126 (19), 9130 (4), 9145 (1); 1995 a. 191, 216, 225, 289, 303, 398, 417, 457; 1997 a. 3, 13, 27, 114, 175, 191, 237, 252, 293; 1999 a. 9, 63, 103, 180, 185.

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

8           49.46 (1) (a) 1m. Any pregnant woman who meets the resource and income  
9 limits under s. 49.19 (4) (~~bm~~) and (~~es~~) par. (ar) and whose pregnancy is medically

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

History: 1971 c. 125, 211, 215; 1973 c. 90, 147; 1975 c. 39; 1977 c. 29 ss. 592m, 1656 (18); 1977 c. 389, 418; 1979 c. 34, 221; 1981 c. 20, 93, 317; 1983 a. 27; 1983 a. 189 s. 329 (5); 1983 a. 245 ss. 10, 15; 1983 a. 538; 1985 a. 29, 120, 176, 253; 1987 a. 27, 307, 339, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1454d to 1460 and 2909g, 2909i; 1989 a. 122, 173, 333, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 99, 269, 277, 446, 450, 491; 1995 a. 27, 77, 164, 289, 303, 457; 1997 a. 27, 35, 105, 237; 1999 a. 9.

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, would be considered, under federal law, to be receiving  
6 aid to families with dependent children for the purpose of determining eligibility for  
7 medical assistance.

History: 1971 c. 125, 211, 215; 1973 c. 90, 147; 1975 c. 39; 1977 c. 29 ss. 592m, 1656 (18); 1977 c. 389, 418; 1979 c. 34, 221; 1981 c. 20, 93, 317; 1983 a. 27; 1983 a. 189 s. 329 (5); 1983 a. 245 ss. 10, 15; 1983 a. 538; 1985 a. 29, 120, 176, 253; 1987 a. 27, 307, 339, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1454d to 1460 and 2909g, 2909i; 1989 a. 122, 173, 333, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 99, 269, 277, 446, 450, 491; 1995 a. 27, 77, 164, 289, 303, 457; 1997 a. 27, 35, 105, 237; 1999 a. 9.

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

9 49.46 (1) (a) 12. Any child not described under subd. 1. who is under 19 years  
10 of age and who meets the resource and income limits under s. ~~49.19 (4) par. (ar)~~.

History: 1971 c. 125, 211, 215; 1973 c. 90, 147; 1975 c. 39; 1977 c. 29 ss. 592m, 1656 (18); 1977 c. 389, 418; 1979 c. 34, 221; 1981 c. 20, 93, 317; 1983 a. 27; 1983 a. 189 s. 329 (5); 1983 a. 245 ss. 10, 15; 1983 a. 538; 1985 a. 29, 120, 176, 253; 1987 a. 27, 307, 339, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1454d to 1460 and 2909g, 2909i; 1989 a. 122, 173, 333, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 99, 269, 277, 446, 450, 491; 1995 a. 27, 77, 164, 289, 303, 457; 1997 a. 27, 35, 105, 237; 1999 a. 9.

11 **SECTION 5.** 49.46 (1) (ar) of the statutes is created to read:

12 49.46 (1) (ar) An individual is eligible to receive medical assistance under par.  
13 (a) 1m. or 12. if the individual's total income, as determined under par. (at), does not  
14 exceed 185% of the standard of need under s. 49.19 (11) (a) 1a. 1.

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

16 49.46 (1) (at) 1. In this paragraph, "internal revenue code" has the meaning

17 given in s. 71.01(6)

18 ~~For~~ For the purposes of determining income under pars. (a) 9. to 11. and (ar), and  
19 except to the extent that the determination is inconsistent with 42 USC 1396a (a) 17.,  
20 "income" includes all of the following:

21 a. All of the individual's earned and unearned income, except one-half of the  
22 individual's earned income plus \$65.



1

b. Any amount received under section 32 of the internal revenue code.

*as defined in s. 71.016*

2

c. Any payment made by an employer under section 3507 of the internal

3

revenue code.

*as defined in s. 71.016 (b)*

4

For the purposes of par. (am), "income" shall be determined in accordance

5

with the approved state plan for services under 42 USC 1396.

6

SECTION 7. 49.46 (1) (e) of the statutes is amended to read:

7

49.46 (1) (e) If an application under s. 49.47 (3) shows that the person has meets

8

~~the income and resources within the limitations of s. 49.19~~ limit under par. (ar),

9

federal Title XVI or s. 49.77, or that the person is an essential person, an

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accommodated person or a patient in a public medical institution, the person shall

11

be granted the benefits enumerated under sub. (2) whether or not the person

12

requests or receives a grant of any of such aids.

History: 1971 c. 125, 211, 215; 1973 c. 90, 147; 1975 c. 39; 1977 c. 29 ss. 592m, 1656 (18); 1977 c. 389, 418; 1979 c. 34, 221; 1981 c. 20, 93, 317; 1983 a. 27; 1983 a. 189 s. 329 (5); 1983 a. 245 ss. 10, 15; 1983 a. 538; 1985 a. 29, 120, 176, 253; 1987 a. 27, 307, 339, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1454d to 1460 and 2909g, 2909i; 1989 a. 122, 173, 333, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 99, 269, 277, 446, 450, 491; 1995 a. 27, 77, 164, 289, 303, 457; 1997 a. 27, 35, 105, 237; 1999 a. 9.

13

SECTION 8. 49.46 (1) (L) of the statutes is repealed.

14

SECTION 9. 49.465 (2) (intro.) of the statutes is amended to read:

15

49.465 (2) (intro.) A pregnant woman is eligible for medical assistance benefits,

16

as provided under sub. (3), during the period beginning on the day on which a

17

qualified provider determines, on the basis of preliminary information, that the

18

woman's family income does not exceed the highest level for eligibility for benefits

19

under s. 49.46 (1) or 49.47 (4) (am) or (c) ~~1.~~ 1m. and ending as follows:

20

History: 1987 a. 27, 307, 413; 1989 a. 9; 1989 a. 31 ss. 1460p, 2909g, 2909i; 1991 a. 269; 1995 a. 289; 1997 a. 27.

SECTION 10. 49.47 (4) (a) (intro.) of the statutes is amended to read:

1 49.47 (4) (a) (intro.) Any individual who meets the limitations on income and  
2 resources under pars. (b) and (c) 1m. and who complies with par. (cm) shall be eligible  
3 for medical assistance under this section if such individual is:

*Insert 5-3*  
4 **History:** 1971 c. 125; 1971 c. 213 s. 5; 1971 c. 215; 1973 c. 90, 147, 333; 1977 c. 29 ss. 593, 1656 (18); 1977 c. 105 s. 59; 1977 c. 273, 418; 1979 c. 34; 1981 c. 20, 93; 1981 c. 314 s. 144; 1983 a. 27, 245; 1985 a. 29; 1987 a. 27, 307, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1462k to 1466d, 2909c to 2909i; 1989 a. 173, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 269, 277, 437; 1995 a. 27 ss. 3026 to 3028, 9126 (19); 1995 a. 225, 289, 295; 1997 a. 27; 1999 a. 9.

4 **SECTION 11.** 49.47 (4) (am) (intro.) of the statutes is amended to read:

5 49.47 (4) (am) (intro.) An individual who does not meet the limitation on income  
6 in par. (c) 1m. is eligible for medical assistance under this section if the individual  
7 is one of the following:

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

8 **SECTION 12.** 49.47 (4) (av) 3. b. of the statutes is amended to read:

9 49.47 (4) (av) 3. b. Determine medical assistance eligibility using an  
10 income-averaging method described in the waiver under subd. 2., if the migrant  
11 worker and his or her dependents do not meet the income limitations under par. (c)  
12 1m. using prospective budgeting.

*Insert 5-12*  
13 **History:** 1971 c. 125; 1971 c. 213 s. 5; 1971 c. 215; 1973 c. 90, 147, 333; 1977 c. 29 ss. 593, 1656 (18); 1977 c. 105 s. 59; 1977 c. 273, 418; 1979 c. 34; 1981 c. 20, 93; 1981 c. 314 s. 144; 1983 a. 27, 245; 1985 a. 29; 1987 a. 27, 307, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1462k to 1466d, 2909c to 2909i; 1989 a. 173, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 269, 277, 437; 1995 a. 27 ss. 3026 to 3028, 9126 (19); 1995 a. 225, 289, 295; 1997 a. 27; 1999 a. 9.

13 **SECTION 13.** 49.47 (4) (b) 2w. of the statutes is amended to read:

14 49.47 (4) (b) 2w. For a person who is eligible under par. (a) 3. or 4., life insurance  
15 with cash surrender values if the total face value of all life insurance policies is not  
16 more than ~~\$1,500~~ \$5,000.

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

17 **SECTION 14.** 49.47 (4) (c) 1. of the statutes is renumbered 49.47 (4) (c) 1m. and

18 amended to read:

19 49.47 (4) (c) 1m. Except as provided in par. (am) and as limited by subd. 3.,  
20 eligibility exists an applicant is eligible to receive medical assistance under this  
21 subsection if the applicant's income does not exceed 133 1/3% of the maximum aid

*(Total)*  
*was determined under subd. 1r. or 1t.*  
*including the income specified in subd. 1r. or 1t.*

1 to families with dependent children payment under s. 49.19 (11) for the applicant's  
 2 family size or the combined benefit amount available under supplemental security  
 3 income under 42 USC 1381 to 1383c and state supplemental aid under s. 49.77  
 4 whichever is higher. ~~In this subdivision~~

5 1r. For purposes of determining income for an individual under par. (a),  
 6 "income" includes all of the individual's earned or unearned income that would be  
 7 included in determining eligibility for the individual or family under s. 49.19 ~~or~~  
 8 49.77, or for the aged, blind, or disabled under 42 USC 1381 to 1385. "Income" and  
 9 "income" does not include earned or unearned income which would be excluded in  
 10 determining eligibility for the individual or family under s. 49.19 ~~or~~ 49.77, or for the  
 11 aged, blind, or disabled individual under 42 USC 1381 to 1385.

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

12 **SECTION 15.** 49.47 (4) (c) 1g. of the statutes is created to read:

13 49.47 (4) (c) 1g. In this paragraph, "internal revenue code" has the meaning  
 14 given in s. 71.01 (6).

15 **SECTION 16.** 49.47 (4) (c) 1t. of the statutes is created to read:

16 49.47 (4) (c) 1t. For purposes of determining income for an individual under  
 17 pars. (ag) and (am), "income" includes all of the following:

- 18 a. Any amount received under section 32 of the internal revenue code, *as defined in s. 71.01(6)*
- 19 b. Any payment made by an employer under section 3507 of the internal  
 20 revenue code, *as defined in s. 71.01(6)*
- 21 c. All of the individual's earned or unearned income, except one-half of the  
 22 individual's earned income plus \$65.

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

23 **SECTION 17.** 49.47 (4) (c) 2. of the statutes is amended to read:

1           49.47 (4) (c) 2. Whenever an applicant has excess income under ~~subd. 1.~~ subd.  
 2           1m. or par. (am), no certification may be issued until the excess income above the  
 3           applicable limits has been obligated or expended for medical care or for any other  
 4           type of remedial care recognized under state law or for personal health insurance  
 5           premiums or both.

**History:** 1971 c. 125; 1971 c. 213 s. 5; 1971 c. 215; 1973 c. 90, 147, 333; 1977 c. 29 ss. 593, 1656 (18); 1977 c. 105 s. 59; 1977 c. 273, 418; 1979 c. 34; 1981 c. 20, 93; 1981 c. 314 s. 144; 1983 a. 27, 245; 1985 a. 29; 1987 a. 27, 307, 399, 443; 1989 a. 9; 1989 a. 31 ss. 1462k to 1466d, 2909c to 2909i; 1989 a. 173, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 269, 277, 437; 1995 a. 27 ss. 3026 to 3028, 9126 (19); 1995 a. 225, 289, 295; 1997 a. 27; 1999 a. 9.

**SECTION 18.** 49.47 (4) (1) of the statutes is repealed.

**SECTION 19.** 49.665 (1) (am) of the statutes is created to read:

8           49.665 (1) (am) "Caretaker relative" means a stepparent, stepbrother,  
 9           stepsister, a blood relative, including a first cousin, nephew, niece, aunt, or uncle, or  
 10          any person of a preceding generation as denoted by the prefix of grand, great, or  
 11          great-great, whether by blood, marriage, or legal adoption, and the spouse of any of  
 12          the individuals named in this paragraph, even if the marriage is terminated by death  
 13          or divorce.

**SECTION 20.** 49.665 (1) (d) of the statutes is amended to read:

15          49.665 (1) (d) "Family" means a unit that consists of at least one child and his  
 16          or her parent or, parents, or caretaker relative, all of whom reside in the same  
 17          household. "Family" includes the spouse of an individual who is a parent or  
 18          caretaker relative if the spouse resides in the same household as the individual.

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

**SECTION 21.** 49.665 (4) (am) (intro.) of the statutes is amended to read:

20          49.665 (4) (am) (intro.) A child who does not reside with his or her parent or  
 21          caretaker relative is eligible for health care coverage under this section if the child  
 22          meets all of the following requirements:

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

**SECTION 22.** 49.665 (5) (a) of the statutes is amended to read:

Insert  
7-66

✓

1           49.665 (5) (a) Except as provided in pars. (b) and (bm), a family, or child who  
2 does not reside with his or her parent or caretaker relative, who receives health care  
3 coverage under this section shall pay a percentage of the cost of that coverage in  
4 accordance with a schedule established by the department by rule. If the schedule  
5 established by the department requires a family, or child who does not reside with  
6 his or her parent or caretaker relative, to contribute more than 3% of the family's or  
7 child's income towards the cost of the health care coverage provided under this  
8 section, the department shall submit the schedule to the joint committee on finance  
9 for review and approval of the schedule. If the cochairpersons of the joint committee  
10 on finance do not notify the department within 14 working days after the date of the  
11 department's submittal of the schedule that the committee has scheduled a meeting  
12 to review the schedule, the department may implement the schedule. If, within 14  
13 days after the date of the department's submittal of the schedule, the cochairpersons  
14 of the committee notify the department that the committee has scheduled a meeting  
15 to review the schedule, the department may not require a family, or child who does  
16 not reside with his or her parent or caretaker relative, to contribute more than 3%  
17 of the family's or child's income unless the joint committee on finance approves the  
18 schedule. The joint committee on finance may not approve and the department may  
19 not implement a schedule that requires a family or child to contribute more than  
20 3.5% of the family's or child's income towards the cost of the health care coverage  
21 provided under this section.

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

22           **SECTION 23.** 49.665 (5) (b) of the statutes is amended to read:

23           49.665 (5) (b) The department may not require a family, or child who does not  
24 reside with his or her parent or caretaker relative, with an income below 150% of the

1 poverty line to contribute to the cost of health care coverage provided under this  
2 section.

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

**SECTION 9323. Initial applicability; health and family services.**

4 (1) MEDICAL ASSISTANCE ELIGIBILITY. The treatment of sections 49.46 (1) (a) 1m,  
5 6 and 12., (ar), (at), (e) and (I), and 49.47 (4) (a) 1, and 2., (ag) (intro.) and 1., (b) 2m.  
6 a. and 2w., (c) 1., ~~1g.~~ <sup>and 2.</sup> 1t., and (h) and (6) (a) 7. of the statutes first applies to  
7 eligibility determinations for medical assistance that are made on the effective date  
8 of this subsection.

9 (2) BADGER CARE ELIGIBILITY FOR CARETAKER RELATIVES. The treatment of sections  
10 49.665 (1) (am) and (d), (4) (am) (intro.), and (5) (a) and (b) of the statutes first applies  
11 to eligibility determinations for the badger care health care program that are made  
12 on the effective date of this subsection.

13 (END)

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) 1m. of the statutes is amended to read:

2 49.46 (1) (a) 1m. Any pregnant woman who meets the resource and income  
3 limits under s. 49.19 (4) (bm) and (es) and whose pregnancy is medically verified.  
4 Eligibility continues to the last day of the month in which the 60th day after the last  
5 day of the pregnancy falls.

6 SECTION 2. 49.46 (1) (a) 6. of the statutes is amended to read:

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

11 SECTION 3. 49.46 (1) (a) 12. of the statutes is amended to read:

12 49.46 (1) (a) 12. Any child not described under subd. 1. who is under 19 years  
13 of age and who meets the resource and income limits under s. 49.19 (4) (es).

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

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

18 SECTION 5. 49.47 (4) (a) 2. of the statutes is renumbered 49.47 (4) (ag) 2.

19 SECTION 6. 49.47 (4) (ag) (intro.) of the statutes is created to read:

cont on next page

PWF

ASSEMBLY BILL 883

1 49.47 (4) (ag) (intro.) Any individual who meets the limitations on income  
 2 under par. (c) <sup>lm.</sup> and who complies with par. (cm) ~~shall be~~ <sup>IS</sup> eligible for medical assistance  
 3 under this section if such individual is:

4 SECTION ~~8~~ 49.47 (4) (ag) 1. of the statutes is created to read:

5 49.47 (4) (ag) 1. Under the age of 19.

6 SECTION ~~8~~ 49.47 (4) (b) 2m. a. of the statutes is amended to read:

7 49.47 (4) (b) 2m. a. For persons who are eligible under par. (a) 1. ~~or 2.~~, one  
 8 vehicle is exempt from consideration as an asset. A 2nd vehicle is exempt from  
 9 consideration as an asset only if the department determines that it is necessary for  
 10 the purpose of employment or to obtain medical care. The equity value of any  
 11 nonexempt vehicles owned by the applicant is an asset for the purposes of  
 12 determining eligibility for medical assistance under this section.

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

14 49.47 (6) (a) 7. Beneficiaries eligible under sub. (4) (a) 2. <sup>✓</sup> (ag) 2. or (am) 1., for  
 15 services under s. 49.46 (2) (a) and (b) that are related to pregnancy, including  
 16 postpartum services and family planning services, as defined in s. 253.07 (1) (b), or  
 17 related to other conditions which may complicate pregnancy.

18 (END)

Insert  
5-12

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PWF

Insert  
7-6





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

LRB-0460/P1dn

ISR:.....

*hml*  
*g.*  
*cjs*

October 18, 2000 *newdate*

Melissa Mullikin and Anne Miller:

Please review this draft carefully to make sure it achieves your intent. I have the following questions regarding this draft:

1. Please review the sections regarding the eligibility of caretaker relatives for BadgerCare. The drafting instructions did not contain specifics regarding how these individuals will be included in the program, so I had to make several assumptions. Regarding the definition of "caretaker relative," to avoid having to cross-reference s. 49.19, which is essentially obsolete and will eventually be repealed, I used the language from s. 49.19 (1) (a) 2. a. to define "caretaker relative" in s. 49.665. I did not include adoptive parents in the new definition because they are included in the definition of "parent" in s. 49.665 (1) (e).

2. For the same reasons that I did not cross-reference s. 49.19 in the BadgerCare program, I did not amend s. 49.19 (4) (es) as requested. Instead, I ~~moved~~ <sup>used</sup> the relevant ~~portions~~ <sup>in</sup> of s. 49.19 (4) (es) @ ss. 49.46 and 49.47 and changed the necessary cross-references to reflect your intent. I was not sure whether the new income criteria should apply to individuals who are eligible under the following sections: 49.46 (1) (a) 1., and 6., (c), (cg) and (co) and 49.465 (2). My understanding is that at least some of these sections no longer apply to anyone in the MA program. I need more information on who is eligible under these sections to determine whether the language should be amended.

3. I do not understand the intent of instruction #5. I read the instruction to mean that DHFS does not want to include the value of the possessions listed under 49.47 (4) (b) 4. when calculating the value of an applicant's property. Under current law, this property is already excluded. If s. 49.47 (4) (b) 4. is repealed, DHFS will have to include the value of these possessions for purposes of MA eligibility. As I do not believe this is what is intended, I did not repeal the section. If I am incorrect, please contact me.

If you have any questions or concerns, please do not hesitate to contact me.

Ivy G. Sager-Rosenthal  
Legislative Attorney  
Phone: (608) 261-4455  
E-mail: ivy.sager-rosenthal@legis.state.wi.us

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

LRB-0460/P1dn  
ISR:hmh&cjs:km

November 1, 2000

Melissa Mullikin and Anne Miller:

Please review this draft carefully to make sure it achieves your intent. I have the following questions regarding this draft:

1. Please review the sections regarding the eligibility of caretaker relatives for BadgerCare. The drafting instructions did not contain specifics regarding how these individuals will be included in the program, so I had to make several assumptions. Regarding the definition of "caretaker relative," to avoid having to cross-reference s. 49.19, which is essentially obsolete and will eventually be repealed, I used the language from s. 49.19 (1) (a) 2. a. to define "caretaker relative" in s. 49.665. I did not include adoptive parents in the new definition because they are included in the definition of "parent" in s. 49.665 (1) (e).

2. For the same reasons that I did not cross-reference s. 49.19 in the BadgerCare program, I did not amend s. 49.19 (4) (es) as requested. Instead, I used the relevant language of s. 49.19 (4) (es) in ss. 49.46 and 49.47 and changed the necessary cross-references to reflect your intent. I was not sure whether the new income criteria should apply to individuals who are eligible under the following sections: 49.46 (1) (a) 1., and 6., (c), (cg) and (co) and 49.465 (2). My understanding is that at least some of these sections no longer apply to anyone in the MA program. I need more information on who is eligible under these sections to determine whether the language should be amended.

3. I do not understand the intent of instruction #5. I read the instruction to mean that DHFS does not want to include the value of the possessions listed under 49.47 (4) (b) 4. when calculating the value of an applicant's property. Under current law, this property is already excluded. If s. 49.47 (4) (b) 4. is repealed, DHFS will have to include the value of these possessions for purposes of MA eligibility. As I do not believe this is what is intended, I did not repeal the section. If I am incorrect, please contact me.

If you have any questions or concerns, please do not hesitate to contact me.

Ivy G. Sager-Rosenthal  
Legislative Attorney  
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## Sager-Rosenthal, Ivy

---

**From:** Miller, Anne  
**Sent:** Thursday, November 30, 2000 4:38 PM  
**To:** Sager-Rosenthal, Ivy  
**Cc:** Bove, Fredi-Ellen; Jones, James; LaPhilliph, John; Riedasch, Scott; Wood, Susan; Kraus, Jennifer; Mullikin, Melissa  
**Subject:** RE: LRB Draft: 01-0460/P1 MA eligibility changes

Hi Ivy!

I've inserted the Department's answers, in italics, to your questions below.

1. To distinguish between an individual who might be a relative but who lives with the child and his or her parents and those individuals who are caretaker relatives caring for the child, I would suggest including language that would limit DC to caretaker relatives who are "providing care and maintenance for the child as determined by the department" or some similar language. As the memo states, it is not enough for the caretaker relative to live in the same home as the child as the caretaker relative could be living with the child's parents or with several individuals who would qualify as "caretaker relatives" but who are not taking care of the child. Would the "providing care and maintenance" language achieve your intent? Another option might be to use the language from s. 49.19 (1)(a)1. which is "because the parents of the child have been found unfit to have care and custody of the child" although I am not sure who makes the decision. The department? The courts? This would need to be clarified.

We agree with your proposal to add "providing care and maintenance for the child as determined by the department" language. The "unfit" language is not appropriate.

2. I understand your intent is to only allow one caretaker relative to be eligible for BC. What about caretaker spouses who are now included in the definition of caretaker relative? If the department determines that a relative is providing care and maintenance for a child (and is thus a caretaker relative) would the spouse of the caretaker relative be eligible as well?

The Department's intent is to allow eligibility of spouses of caretaker relatives. This will maintain consistency in BC in that spouses of eligible parents are currently also eligible.

3. Siblings are not currently enumerated in the "definition" of "caretaker relative" under s. 49.19(1)(a)1., although I believe they are included in "blood relative" and "child of a person who is an adoptive parent". Again, I would suggest using the language in the definition for "kinship care relative" as it includes all of the same people enumerated in 49.19 but is much clearer and cleaner. The definition would read: "Caretaker relative means a 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 person named in this paragraph, even if the marriage is terminated by death or divorce."

We agree with using the kinship care language, but, again, we do not want to reference the kinship care statutes.

Also, regarding the \$5000 insurance policy limit for SSI-related MA under s. 49.46 (1)(a)6m., the language of 6m. indicates that these individuals are eligible if they meet the income and resource requirements under SSI. The SSI

resource requirements are in 42 USC 1382b(a). Under this federal statute, up to \$1500 in life insurance may be disregarded. Is the increase you propose authorized under a different federal statute or state waiver or should the section no longer reference this federal limit? The same is true of the asset requirement for MAPP, TB-related MA and Medicare-Buy In. This may be a question we need to discuss in more detail.

The Department would implement the SSI -related life insurance disregard change from \$1,500 to \$5,000 through a State Plan amendment.

Under the authority of 42 USC 1396a(r)(2), States are allowed to use a less restrictive methodology in determining resource eligibility of a large number of Medicaid groups which include the groups we are targeting in this proposal; SSI-related Cat & Med Needy, Institutionalized SSI-related, Community Waivers, MAPP, TB-related, and Medicare Buy-In.

This change is not restricted by the FFP cap in 42 USC 1396b(f) because we are not changing the income methodology.

We can further discuss these issues at tomorrow's meeting, if you would like, but I hope this information will help provide some more guidance. Please feel free to contact me with any additional questions.

Anne Miller  
DHFS/OSF  
6-5422

From John LaPhillips, BACE, DAFS

**Additional Changes needed to Statutory Language for Medicaid Simplification**

As part of the policy simplification, the changes made to the treatment of life insurance for SSI-related recipients also need to be made for statutory provisions governing

Divestment and treatment of trusts [See s. 49.453(1)(i).];

Spousal impoverishment [See s. 49.455(1)(e).];

These sections define "resources" by citing the federal law definition [42 USC 1382b(a) or 1396p(e)(5)], which includes the \$1,500 life insurance cap.

**Bureau of Health Care Eligibility**

November 15, 2000

To: Anne Miller, OSF

From: John LaPhilliph, BHCE

Re: **Bureau of Health Care Eligibility Response to Drafters on Medicaid Simplification Language for Budget (Revised)**

Here is our initial response to the draft and the drafter's questions. Jim and I would be glad to meet with you and the drafters to discuss our comments further.

**Question 1.** We agree that it is appropriate to add the definition of caretaker relative to the BadgerCare (BC) portion of the Statutes. However, we believe the following modifications are necessary.

*A caretaker relative who resides with a child who does not reside with his or her parent and*

The definition of caretaker relative in 49.665(1)(am) needs to include full and half siblings. The definition has to include the requirement that the child is under the care of the relative or his or her spouse.

*who is providing care and maintenance for the child as determined by the dept.*

- The definition of family has to be changed to make it clear that the caretaker relative may only be included in the BC "family" when the parents of the child are not residing in the home.

*The following individuals are eligible for BC:*

- The caretaker relative does not have to be part of the family if they choose not to be.

*1. A member of a family*

The desired goal is to permit a relative other than a parent who is taking care of a child to have the option of receiving BC for him or herself. It is not the intent to provide BC to all relatives living with a child. The changes we are recommending are needed to make it clear that a relative who happens to be living in the home along with the parents and child can not be included in the BC family. Also, in a case where a child is residing in a home with a number of relatives other than parents, only one of the relatives can be designated as the caretaker. Finally, eligibility for BC is based on conditions applied to everyone in the "family". In some cases, a caretaker relative's income may be too high to permit BC for the family. Since the relative does not have a legal responsibility to support the child, we can not allow the caretaker's circumstances to adversely affect the child's BC eligibility. To avoid that problem, we have to give caretakers the option to stay out of the BC family and let the children's eligibility be determined separately.

*2. A child who doesn't reside at home*

*3. A caretaker relative who...*

*4. The spouse of a caretaker relative*

**Question 2.** We believe we need changes made to 49.19 because of the references to AFDC in parts of 49.46 and 49.47 when determining the income disregards and assets. Section 49.19 is the statutory authority for the old AFDC program and is the basis for the AFDC-Medicaid and AFDC-Related categories.

*now the basis of the non-financial criteria but w/ the suggested changes, not the basis for determining income and assets b/c opting to use 42 USC §1396a-1(b)(6)*

Here is a listing of the various Medicaid categories that we are asking to have affected by the various changes. We're providing some descriptive information for use in the bill analysis.

**Asset requirement:**

The following categories of Medicaid have an asset requirement that we are requesting to be dropped:

*income = 80% of std.*  
✓ AFDC-Medicaid: Category based on AFDC program requirements as of July 16, 1996 under section 1931 of the Social Security Act – 42 USC 1396u-1. This category covers *49.19(1)(a)* dependent children under 18 and dependent 18-year-olds, their caretaker relatives and pregnant women in the 8<sup>th</sup> and 9<sup>th</sup> months of their pregnancy. Current law has a \$1,000 asset limit. AFDC recipients are referenced in 49.46(1)(a)1. Section 49.19 statutes that were in effect in 1996 have the detailed eligibility criteria for AFDC including the assets in 49.19(4)(bm). *49.19(4)(g)*

*specified in 49.19 (1)(a)2.*

*income = std of need s 49.19(1) these are all people now*  
AFDC-Related Medicaid (Categorically Needy): Category based on AFDC program requirements as of 7/16/96 for persons not receiving an AFDC cash benefit. This category covers caretakers of dependent children under 18 and dependent 18-year-olds; pregnant women throughout the entire pregnancy and for 60 days after the end of the pregnancy; and children under age 19 (they do not need to be "dependent" children). Current law has a \$1,000 asset limit. AFDC-Related Categorically Needy Medicaid is referenced in 49.46(1)(a)1m., 6., 12. The asset criteria refer to AFDC statutes.

AFDC-Related Medicaid (Medically Needy): This category covers pregnant women throughout the entire pregnancy and for 60 days after the end of the pregnancy; and children under age 18 (they do not need to be "dependent" children). Current law has a \$2,000 asset limit for one person, \$3,000 for a group size of two, and an additional \$300 per person above group size two. The Medically Needy category is covered in 49.47(4)(a)1. & 2. Assets criteria for Medically Needy are found in 49.47(4)(b).

**\$65 & 1/2 Earned Income Disregard** *49.19(5) (4h) (Am)*

Drafted statutory language for the \$65 & 1/2 earned income disregard needs to be changed to show that we are excluding the first \$65 of earnings and one-half of the remainder of those earnings. The sections of the draft language that refer to amounts received under sections 32 and 3507 of the internal revenue code should be removed. Those references concern the federal Earned Income Tax Credit which is still to be disregarded for the Medicaid program.

The disregard is to take the place of the \$30 & 1/3 and \$30 earned income disregards for the AFDC-Medicaid category. Those disregards are found in 49.19(5)(a)4, 4m & 5.

*(5)(a) 2.?* *(5) 4s?*  
For the following Medicaid categories, the \$65 & 1/2 earned income disregard is to be added to the existing \$90 work expense and dependent care deductions. The AFDC \$30 & 1/3 earned income disregard is not currently applied to the following categories of Medicaid.

AFDC-Related Medicaid (Categorically Needy): AFDC-Related Categorically Needy Medicaid is referenced in 49.46(1)(a)1m., 6., 12. The income criteria refer to AFDC statutes.

10 AFDC-Related Medicaid (Medically Needy): The Medically Needy category is covered in 49.47(4)(a)1. & 2. Income criteria for Medically Needy are found in 49.47(4)(c), and reference AFDC statutes.

✓ Healthy Start (Categorically Needy): This category covers pregnant women and children under age 6. No asset limit. Income must be below 133 & 1/3% of the Federal Poverty Level (FPL). These groups are covered by 49.46(1)(a)9 and 10., and income methodology is referenced in 49.46(1)(L).

○ Healthy Start (Medically Needy): This category also covers pregnant women and children under age 6. No asset limit. Income must be below 185% of the FPL. These groups are covered by 49.46(1)(am)1.a. & b. and 49.47(4)(am)1. and 2., and income methodology is referenced in 49.47(4)(h).

✓ Healthy Start (OBRA Categorically Needy): This category covers children between the ages of 6 and over up to age 19. No asset limit. Income must be below 100% of the FPL. This group is covered by 49.46(1)(a)11., and income methodology is referenced in 49.46(1)(L).

○ Presumptive Eligibility (categorically and medically needy): This category covers pregnant women who have their Medicaid eligibility certified by the provider who has confirmed their pregnancy. No asset limit. Income limits are the same as those for pregnant women under Healthy Start, 133 & 1/3% and 185%. These groups are covered under 49.465 and the income methodology is referenced in 49.465(2)(intro.).

○ Migrants (Categorically and Medically Needy AFDC-Related): This is a subgroup of AFDC-Related Medicaid. They are automatically eligible if they were Medicaid eligible in another State and are still within the certification period from the prior State. If they were not certified or the other State's certification period is over, Migrants have special budgeting rules applied. Covered under 49.47(4)(av) and the income methodology is referenced in 49.47(4)(c).

### ***Life Insurance Face Value Cap***

We are requesting the following categories of SSI-Related Medicaid to have the life insurance exemption changed from \$1,500 to \$5,000.

SSI-Related (Categorically Needy) This category covers persons age 65 and older and persons determined by the Disability Determination Bureau to be blind or disabled. The asset limit is \$2,000 for one person and \$3,000 for 2. Currently, this asset limit includes the cash value of life insurance policies when the total face value of a person's policies exceeds \$1,500. The income limit for this group is based on the total State and Federal SSI payment amount less one third the federal portion of the payment (the shelter allowance). This group is covered under 49.46(1)(a)6m. There is no reference to statutes concerning assets.

done ○ SSI-Related (Medically Needy) This category covers persons age 65 and older and persons determined by the Disability Determination Bureau to be blind or disabled. The asset limit is \$2,000 for one person and \$3,000 for 2. Currently, this asset limit includes the cash value of life insurance policies when the total face value of a person's policies exceeds \$1,500. The income limit for this group is based on 133 & 1/3% of the AFDC



payment amount. This group is covered under 49.47(4)(a)3 & 4. The life insurance asset provision is covered in 49.47(4)(B)2w.

✓ Medicaid Purchase Plan (MAPP): This group's eligibility is covered under 49.472. Asset methodology in 49.472(3)(b) refers to federal law.

✓ Tuberculosis Related Medicaid: This group, ineligible for regular Medicaid, is eligible for limited TB-related services. They have the same asset limit as SSI-Related. Asset methodology in 49.46(1)(a)15., refers to federal law. - copy from MA purchase plan

✓ Medicare Buy-In: This group covered under 49.468 has asset methodology covered under 49.468(1)(d) which refers to federal law.

*(2)(b)*  
**Question 3.** The instruction was in error. The cited statutory language already exempts household and personal goods from consideration for SSI-Related Medically Needy Medicaid. No change is required to 49.47(4)(b)2. Changes are needed, however, to the parts of the statutes concerning the following groups to specify that all household and personal possessions are exempt resources.

- SSI-Related Categorically Needy
- MAPP
- Tuberculosis Related Medicaid
- Medicare Buy-In

*(a)*  
*B82D(2)(A)*

### General Comments

The bill analysis needs to be changed to indicate that the changes we are requesting affects all AFDC-Related recipients, not just children and pregnant women. We would recommend that the analysis points out that the \$65 and 1/2 disregard used for SSI-related Medicaid recipients will now be applied to AFDC-related Medicaid recipients.

We had other concerns over a few specific parts of the draft, but we would prefer to wait until the next draft to discuss them.

cc: James Jones  
Scott Riedasch  
Susan Wood

*No*



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-0460

ISR:hmb/sjs:km

RMP

DOA:.....Mullikin – MA eligibility changes

FOR 2001-03 BUDGET – NOT READY FOR INTRODUCTION

NOTE

soon  
12/18/00

if possible  
by Thurs. 12/21, but  
not a necessity.  
Thanks.

Do not go

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

*Analysis by the Legislative Reference Bureau*

✓ HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Under current law, a child or pregnant woman who would have been eligible to receive benefits under the former aid to families with dependent children (AFDC) program, a child under age six or a pregnant woman whose income does not exceed 185% of the federal poverty level, and a child between the ages of six and 19 whose income does not exceed 133.33% of the maximum payment amount under the former AFDC program are eligible for the medical assistance (MA) program if they meet certain asset requirements. Currently, DHFS is required to exclude certain income from a child's or pregnant woman's total income for purposes of determining MA eligibility.

Under this bill, in addition to income that is currently excluded, one-half of a child's or pregnant woman's earned income plus \$65 must be excluded when calculating income for purposes of MA eligibility. This bill also eliminates the asset requirements for these children and pregnant women.

Also under current law, an individual aged 65 or older or an individual who is blind or disabled is eligible for the MA program if he or she meets certain income and asset requirements. For purposes of determining whether an individual meets the asset requirements, DHFS must exclude from the asset calculation life insurance policies that have a face value of up to \$1,500. This bill increases the maximum value of life insurance policies that may be excluded for MA eligibility purposes to \$5,000.

\* -> Insult Analysis

*Also*  
~~Finally, under current law, DHFS administers the badger care health care program which provides health care to low-income families and low-income children who do not reside at home. In addition to meeting certain financial and non-financial requirements, a family is eligible for the badger care program if at least one child and his or her parent or parents reside in the same household. A parent's spouse is also eligible if the spouse resides in the same household as the child and parent.~~

*Keep comma*  
~~This bill expands the badger care health care program to include caretaker relatives if the caretaker relative resides in the same household as a child and meets the same financial and non-financial requirements that families currently must meet. The spouse of a caretaker relative is also eligible if the spouse resides in the same household as the child and caretaker relative. A caretaker relative is defined as the child's stepparent, stepbrother, stepsister, blood relative, including first cousin, nephew, niece, aunt, or uncle, or any person of a preceding generation as denoted by the prefix grand, great, or great-great, whether by blood, marriage, or legal adoption, and 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.

*and, if any, the spouse of a caretaker relative, all of whom reside in the same household.*

*if any, and the spouse of a parent, all of whom at least one child, his or her*

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

**SECTION 1.** 49.45 (35) of the statutes is amended to read:

49.45 (35) TRAINING FOR NONPROFIT ORGANIZATIONS. The department shall provide training to employees and volunteers of private nonprofit organizations concerning medical assistance eligibility under s. 49.47 of persons whose incomes exceed the levels under s. 49.47 (4) (am) and (c) 1. 1m. before consideration, under s. 49.47 (4) (c) 2., of the level of those persons' medical expenses.

*insert 2-6*

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

49.46 (1) (a) 1m. Any pregnant woman who meets the resource and income ~~limits~~ *strike* under s. 49.19 (4) (bm) and (es) *strike* par. (ar) *strike* and whose pregnancy is medically verified. Eligibility continues to the last day of the month in which the 60th day after the last day of the pregnancy falls.

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

does not exceed the standard of need.

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

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

6 49.46 (1) (a) 12. Any child not described under subd. 1. <sup>or lg.</sup> (who is under 19 years  
7 of age and <sup>strike</sup> who meets the resource and <sup>whose</sup> income <sup>strike</sup> limits, <sup>plain</sup> under s. 49.19 (4) <sup>(11), as determined</sup> par. (ar). <sup>under</sup>

8 SECTION 5. 49.46 (1) (ar) of the statutes is created to read: <sup>does not exceed the standard</sup>

9 ~~49.46 (1) (ar) An individual is eligible to receive medical assistance under par.~~  
10 ~~(a) 1m. or 12. if the individual's total income, as determined under par. (at) 1., does~~  
11 ~~not exceed 185% of the standard of need under s. 49.19 (11) (a) 1. a.~~

12 SECTION 6. 49.46 (1) (at) of the statutes is created to read:

13 49.46 (1) (at) 1. For the purposes of determining income under pars. (a) 9. to  
14 11. and (ar), and except to the extent that the determination is inconsistent with 42  
15 USC 1396a (a) 17., "income" includes all of the following:

16 a. All of the individual's earned and unearned income, except one-half of the  
17 individual's earned income plus \$65.

18 b. Any amount received under section 32 of the internal revenue code, as  
19 defined in s. 71.01 (6).

20 c. Any payment made by an employer under section 3507 of the internal  
21 revenue code, as defined in s. 71.01 (6).

22 2. For the purposes of par. (am), "income" shall be determined in accordance  
23 with the approved state plan for services under 42 USC 1396.

24 SECTION 7. 49.46 (1) (e) of the statutes is amended to read:

Insert 3-4  
Insert 3-7

or meets the income and resource requirements under

1 49.46 (1) (e) If an application under s. 49.47 (3) shows that the person has <sup>meets</sup> ~~meets~~  
2 ~~the income and resources within the limitations of s. 49.190~~ <sup>limits under plain</sup> ~~under par. (a)~~ <sup>individual</sup> ~~as calculated~~  
3 federal Title XVI or s. 49.77, <sup>as calculated under par. (a)</sup> or that the person is an essential person, an  
4 accommodated person or a patient in a public medical institution, the person shall  
5 be granted the benefits enumerated under sub. (2) whether or not the person  
6 requests or receives a grant of any of such aids.

7 **SECTION 8.** 49.46 (1) (L) of the statutes is repealed.

8 **SECTION 9.** 49.465 (2) (intro.) of the statutes is amended to read:

9 49.465 (2) (intro.) A pregnant woman is eligible for medical assistance benefits,  
10 as provided under sub. (3), during the period beginning on the day on which a  
11 qualified provider determines, on the basis of preliminary information, that the  
12 woman's family income <sup>as calculated under s. 49.46(1)(a)</sup> does not exceed the highest level for eligibility for benefits  
13 under s. 49.46 (1) or 49.47 (4) (am) or (c) <sup>plan</sup> ~~1) (a)~~ and ending as follows:

14 **SECTION 10.** 49.47 (4) (a) (intro.) of the statutes is amended to read:

15 49.47 (4) (a) (intro.) Any individual who meets the limitations on income and  
16 resources under pars. (b) and (c) ~~1m.~~ and who complies with par. (cm) shall be eligible  
17 for medical assistance under this section if such individual is:

18 **SECTION 11.** 49.47 (4) (a) 1. of the statutes is amended to read:

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

22 **SECTION 12.** 49.47 (4) (a) 2. of the statutes is renumbered 49.47 (4) (ag) 2.

23 **SECTION 13.** 49.47 (4) (ag) (intro.) of the statutes is created to read:

<sup>A.R. "B"</sup>  
<sup>(5)</sup>  
OR \*\*\* Note: This <sup>women</sup> section exempts pregnant / from the asset requirements.  
See s. 49.47(4)(ag)(intro.) as created in this bill.

Insert 7-4-1

Insert A-13

Insert A-21

*whose  
whose*

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49.47 (4) (ag) (intro.) Any individual ~~who meets the limitations on~~ <sup>whose</sup> income ~~does not exceed the limits~~ under par. (c) ~~1m~~ and who complies with par. (cm) is eligible for medical assistance under this section if ~~such~~ <sup>the</sup> individual is: *one of the following*

SECTION ~~14~~ <sup>A.R. "c"</sup> 49.47 (4) (ag) 1. of the statutes is created to read:

49.47 (4) (ag) 1. Under the age of 19.

SECTION 15. 49.47 (4) (am) (intro.) of the statutes is amended to read:

~~49.47 (4) (am) (intro.) An individual who does not meet the limitation on income in par. (c) 1m. is eligible for medical assistance under this section if the individual is one of the following:~~

SECTION 16. 49.47 (4) (av) 3. b. of the statutes is amended to read:

~~49.47 (4) (av) 3. b. Determine medical assistance eligibility using an income-averaging method described in the waiver under subd 2., if the migrant worker and his or her dependents do not meet the income limitations under par. (c) 1m. using prospective budgeting.~~

SECTION 17. 49.47 (4) (b) 2m. a. of the statutes is amended to read:

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

SECTION 18. 49.47 (4) (b) 2w. of the statutes is amended to read:

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

*Insert  
5-14*

*Insert  
5-25* →

SECTION 19

*repealed and recreated  
from numbered 49.47(4)(c) 1. and to  
read:*

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SECTION 19. 49.47 (4) (c) 1. of the statutes is ~~renumbered 49.47(4)(c) 1.~~ and amended to read:

49.47 (4) (c) 1. Except as provided in par. (am) and as limited by subd. 3., ~~eligibility exists~~ *plain* an applicant is eligible to receive medical assistance under this subsection if *plain* the applicant's total income, as determined under ~~subd. 1r or 1m~~ *plain* does not exceed 133 1/3% of the maximum aid to families with dependent children payment under s. 49.19 (11) for the applicant's family size or the combined benefit amount available under supplemental security income under 42 USC 1381 to 1383c and state supplemental aid under s. 49.77 whichever is higher. ~~In this subdivision~~

~~In. For purposes of determining income for an individual under par. (a), "income" includes all of the individual's earned or unearned income that would be included in determining eligibility for the individual or family under s. 49.19 or 49.77, or for the aged, blind, or disabled under 42 USC 1381 to 1385. "Income" and "income" does not include earned or unearned income which would be excluded in determining eligibility for the individual or family under s. 49.19 or 49.77, or for the aged, blind, or disabled individual under 42 USC 1381 to 1385.~~

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

49.47 (4) (c) 1t. For purposes of determining income for an individual under pars. (ag) and (am), "income" includes all of the following:

- a. Any amount received under section 32 of the internal revenue code, as defined in s. 71.01 (6).
- b. Any payment made by an employer under section 3507 of the internal revenue code, as defined in s. 71.01 (6).
- c. All of the individual's earned or unearned income, except one-half of the individual's earned income plus \$65.

1 SECTION 21. 49.47 (4) (c) 2. of the statutes is amended to read:

2 49.47 (4) (c) 2. Whenever an applicant has excess income under ~~subd. 1.~~ subd.  
3 1m. or par. (am), no certification may be issued until the excess income above the  
4 applicable limits has been obligated or expended for medical care or for any other  
5 type of remedial care recognized under state law or for personal health insurance  
6 premiums or both.

Insert  
7-17

7 ~~SECTION 22. 49.47 (4) (h) of the statutes is repealed.~~

8 SECTION 23. 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.

Insert  
7-12

13 SECTION 24. 49.665 (1) (am) of the statutes is created to read:

brother, sister,

14 49.665 (1) (am) "Caretaker relative" means a stepparent, stepbrother,  
15 stepsister, ~~a blood relative, including~~ a first cousin, nephew, niece, aunt, ~~an~~ uncle, or  
16 any person of a preceding generation as denoted by the prefix of grand, great, or  
17 great-great, whether by blood, marriage, or legal adoption, ~~and~~ <sup>or</sup> the spouse of any of  
18 the individuals named in this paragraph, even if the marriage is terminated by death  
19 or divorce.

Insert  
7-20

20 SECTION 25. 49.665 (1) (d) of the statutes is amended to read:

21 49.665 (1) (d) "Family" means a unit that consists of at least one child and his  
22 or her parent ~~or~~ parents, or caretaker relative, all of whom reside in the same  
23 household. "Family" includes the spouse of an individual who is a parent or  
24 caretaker relative if the spouse resides in the same household as the individual.

25 SECTION 26. 49.665 (4) (am) (intro.) of the statutes is amended to read:



1        49.665 (4) (am) (intro.) A child who does not reside with his or her parent or  
2        caretaker relative is eligible for health care coverage under this section if the child  
3        meets all of the following requirements:

4        **SECTION 27.** 49.665 (5) (a) of the statutes is amended to read:

5        49.665 (5) (a) Except as provided in pars. (b) and (bm), a family, or child who  
6        does not reside with his or her parent or caretaker relative, who receives health care  
7        coverage under this section shall pay a percentage of the cost of that coverage in  
8        accordance with a schedule established by the department by rule. If the schedule  
9        established by the department requires a family, or child who does not reside with  
10       his or her parent or caretaker relative, to contribute more than 3% of the family's or  
11       child's income towards the cost of the health care coverage provided under this  
12       section, the department shall submit the schedule to the joint committee on finance  
13       for review and approval of the schedule. If the cochairpersons of the joint committee  
14       on finance do not notify the department within 14 working days after the date of the  
15       department's submittal of the schedule that the committee has scheduled a meeting  
16       to review the schedule, the department may implement the schedule. If, within 14  
17       days after the date of the department's submittal of the schedule, the cochairpersons  
18       of the committee notify the department that the committee has scheduled a meeting  
19       to review the schedule, the department may not require a family, or child who does  
20       not reside with his or her parent or caretaker relative, to contribute more than 3%  
21       of the family's or child's income unless the joint committee on finance approves the  
22       schedule. The joint committee on finance may not approve and the department may  
23       not implement a schedule that requires a family or child to contribute more than  
24       3.5% of the family's or child's income towards the cost of the health care coverage  
25       provided under this section.

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**SECTION 28.** 49.665 (5) (b) of the statutes is amended to read:

49.665 (5) (b) The department may not require a family, or child who does not reside with his or her parent or caretaker relative, with an income below 150% of the poverty line to contribute to the cost of health care coverage provided under this section.

**SECTION 9323. Initial applicability; health and family services.**

(1) **MEDICAL ASSISTANCE ELIGIBILITY.** The treatment of sections 49.46 (1) (a) 1m., 6., and 12., (ar), (at), (e), and (L), and 49.47 (4) (a) 1., and 2., (ag) (intro.) and 1., (b) 2m. a. and 2w., (c) 1., and (h), and (6) (a) 7. of the statutes first applies to eligibility determinations for medical assistance that are made on the effective date of this subsection.

(2) **BADGER CARE ELIGIBILITY FOR CARETAKER RELATIVES.** The treatment of sections 49.665 (1) (am) and (d), (4) (am) (intro.), and (5) (a) and (b) of the statutes first applies to eligibility determinations for the badger care health care program that are made on the effective date of this subsection.

(END)

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

LRB-0460/1dn

ISR:.....

December 12, 2000

Melissa Mullikin and Anne Miller:

Please review this ~~bill~~<sup>draft</sup> carefully to make sure it achieves your intent. I have provided notes in the ~~bill~~<sup>draft</sup> that will, hopefully, help you follow the changes I have made.

Please feel free to contact me to discuss the draft.

Ivy G. Sager-Rosenthal  
Legislative Attorney  
Phone: (608) 261-4455  
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Insert Analysis

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 (TANF) 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 ~~8th or 9th~~ month of pregnancy. *eight or ninth*

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.

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.

2. Healthy Start. This category includes children between the ages of ~~6~~ and 19 whose incomes do not exceed 100% of the federal poverty line, children under the age of ~~6~~ and pregnant women whose incomes do not exceed 133.33% of the federal poverty line, and children under the age of ~~6~~ and pregnant women whose incomes, because of medical expenses, do not exceed 185% of the federal poverty line. *six*

3. Presumptive eligibility. This category covers pregnant women ~~whom~~ 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. *Not*

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 \$1500. 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 \$5000.

Insert 2-6

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

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

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

History: 1971 c. 125, 211, 215; 1973 c. 90, 147; 1975 c. 39; 1977 c. 29 ss. 592m, 1656 (18); 1977 c. 389, 418; 1979 c. 34, 221; 1981 c. 20, 93, 317; 1983 a. 27; 1983 a. 189 s. 329 (5); 1983 a. 245 ss. 10, 15; 1983 a. 538; 1985 a. 29, 120, 176, 253; 1987 a. 27, 307, 339, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1454d to 1460 and 2909g, 2909i; 1989 a. 122, 173, 333, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 99, 269, 277, 446, 450, 491; 1995 a. 27, 77, 164, 289, 303, 457; 1997 a. 27, 35, 105, 237; 1999 a. 9.

Insert 3-4

**SECTION 2.** 49.46 (1)(a) 6m. of the statutes is amended to read:

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

**History:** 1971 c. 125, 211, 215; 1973 c. 90, 147; 1975 c. 39; 1977 c. 29 ss. 592m, 1656 (18); 1977 c. 389, 418; 1979 c. 34, 221; 1981 c. 20, 93, 317; 1983 a. 27; 1983 a. 189 s. 329 (5); 1983 a. 245 ss. 10, 15; 1983 a. 538; 1985 a. 29, 120, 176, 253; 1987 a. 27, 307, 339, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1454d to 1460 and 2909g, 2909i; 1989 a. 122, 173, 333, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 99, 269, 277, 446, 450, 491; 1995 a. 27, 77, 164, 289, 303, 457; 1997 a. 27, 35, 105, 237; 1999 a. 9.

**SECTION 3.** 49.46 (1) (a) 9. of the statutes is amended to read:

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

**History:** 1971 c. 125, 211, 215; 1973 c. 90, 147; 1975 c. 39; 1977 c. 29 ss. 592m, 1656 (18); 1977 c. 389, 418; 1979 c. 34, 221; 1981 c. 20, 93, 317; 1983 a. 27; 1983 a. 189 s. 329 (5); 1983 a. 245 ss. 10, 15; 1983 a. 538; 1985 a. 29, 120, 176, 253; 1987 a. 27, 307, 339, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1454d to 1460 and 2909g, 2909i; 1989 a. 122, 173, 333, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 99, 269, 277, 446, 450, 491; 1995 a. 27, 77, 164, 289, 303, 457; 1997 a. 27, 35, 105, 237; 1999 a. 9.

**SECTION 4.** 49.46 (1) (a) 10. of the statutes is amended to read:

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

**History:** 1971 c. 125, 211, 215; 1973 c. 90, 147; 1975 c. 39; 1977 c. 29 ss. 592m, 1656 (18); 1977 c. 389, 418; 1979 c. 34, 221; 1981 c. 20, 93, 317; 1983 a. 27; 1983 a. 189 s. 329 (5); 1983 a. 245 ss. 10, 15; 1983 a. 538; 1985 a. 29, 120, 176, 253; 1987 a. 27, 307, 339, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1454d to 1460 and 2909g, 2909i; 1989 a. 122, 173, 333, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 99, 269, 277, 446, 450, 491; 1995 a. 27, 77, 164, 289, 303, 457; 1997 a. 27, 35, 105, 237; 1999 a. 9.

**SECTION 5.** 49.46 (1) (a) 11. of the statutes is amended to read:

49.46 (1) (a) 11. If a waiver under s. 49.665 is granted and in effect, any child not described under subd. 1. or 1g. who has attained the age of 6 but has not attained the age of 19 and whose family income does not exceed 100% of the poverty line for a family the size of the child's family. If a waiver under s. 49.665 is not granted or in effect, any child not described in subd. 1. or 1g. who was born after September 30, 1983, who has attained the age of 6 but has not attained the age of 19 and whose

family income does not exceed 100% of the poverty line for a family the size of the child's family.

History: 1971 c. 125, 211, 215; 1973 c. 90, 147; 1975 c. 39; 1977 c. 29 ss. 592m, 1656 (18); 1977 c. 389, 418; 1979 c. 34, 221; 1981 c. 20, 93, 317; 1983 a. 27; 1983 a. 189 s. 329 (5); 1983 a. 245 ss. 10, 15; 1983 a. 538; 1985 a. 29, 120, 176, 253; 1987 a. 27, 307, 339, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1454d to 1460 and 2909g, 2909i; 1989 a. 122, 173, 333, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 99, 269, 277, 446, 450, 491; 1995 a. 27, 77, 164, 289, 303, 457; 1997 a. 27, 35, 105, 237; 1999 a. 9.

Insert 3-7

SECTION 6. 49.46 (1) (a) 15. of the statutes is amended to read:

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

History: 1971 c. 125, 211, 215; 1973 c. 90, 147; 1975 c. 39; 1977 c. 29 ss. 592m, 1656 (18); 1977 c. 389, 418; 1979 c. 34, 221; 1981 c. 20, 93, 317; 1983 a. 27; 1983 a. 189 s. 329 (5); 1983 a. 245 ss. 10, 15; 1983 a. 538; 1985 a. 29, 120, 176, 253; 1987 a. 27, 307, 339, 399, 413; 1989 a. 9; 1989 a. 31 ss. 1454d to 1460 and 2909g, 2909i; 1989 a. 122, 173, 333, 336, 351; 1991 a. 39, 178, 269, 316; 1993 a. 16, 99, 269, 277, 446, 450, 491; 1995 a. 27, 77, 164, 289, 303, 457; 1997 a. 27, 35, 105, 237; 1999 a. 9.

SECTION 7. 49.46 (1) (ar) is created to read:

A.R.  
"A"

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

2. Notwithstanding s. 49.19 (5), for purposes of determining whether an individual under par. (a) 1., 1g., or 6. would qualify for a grant of aid to families with dependent children under s. 49.19, or whether an individual meets the income limits under par. (a) 1m., 9., 10., 11., or 12., (am), or (e), the department may use income 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, 1996.

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

SECTION 8. 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 \$1500 but does not exceed \$5000.

\*\*\*\*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).

Insert 4-7

\*\*\*\*NOTE: This section contained the income methodology for determining income for the categorically needy Health Start category and for a portion of the AFDC-related category. The income methodology is now found in s. 49.46 (1) (ar), as created in SECTION (a.ii) of this bill.

Insert 4-13

\*\*\*\*NOTE: This section requires DHFS, for purposes of presumptive MA eligibility, to use the income methodology under s. 49.46 (1) (ar) as created in SECTION (a.r.a) of this bill.

SECTION 9. 49.468 (1) (d) of the statutes is renumbered 49.468 (1) (d) (intro.) and amended to read:

49.468 (1) (d) (intro.) Benefits under par. (b) or (c) are available for an individual who has meets all of the following requirements:



1. The individual's resources that are equal to or less than 200% of the allowable resources as determined limit under 42 USC 1381 to 1385 and 1382 (a) (3) (A). For purposes of calculating the amount of an individual's resources, the department shall exclude the resources excluded under 42 USC 1382b (a) and any life insurance policies with cash surrender values if the total face value of all of the insurance policies exceeds \$1500 but does not exceed \$5000.

2. The individual's income that is equal to or less than 100% of the poverty line.

History: 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16.

\*\*\*\*NOTE: This SECTION and SECTION 3 increase the life insurance cap for individuals eligible under MA buy-in. 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).

*a.r. "f" - LPS. This is section 10 in this insert*

SECTION 10 49.468 (2) (b) of the statutes is renumbered 49.468 (2) (b) (intro.)

and amended to read:

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

1. The individual's resources that are equal to or less than 200% of the allowable resources limit under 42 USC 1381 to 1385 and 1382 (a) (3) (A). For purposes of calculating the amount of an individual's resources, the department shall exclude the resources excluded under 42 USC 1382b (a) and any life insurance policies with cash surrender values if the total face value of all of the insurance policies exceeds \$1500 but does not exceed \$5000.

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

History: 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16.

Insert 4-21

\*\*\*\*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 SECTION 13 AND 14 (Sections (a.r. "b") and (a.r. "c") of this bill.

*(Sections (a.r. "b") and (a.r. "c") of*

Insert 5-14

**SECTION 11.** 49.47 (4) (am) <sup>1</sup> of the statutes is amended to read:

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

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

**SECTION 12.** 49.47 (4) (am) <sup>2</sup> of the statutes is amended to read:

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

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

Insert 5-25

\*\*\*\*NOTE: This <sup>cs</sup> section increases the life insurance cap for, medically needy SSI-related individuals.

Insert 7-7

**SECTION 13.** 49.47 (4) (cg) <sup>1</sup> of the statutes is created to read:

49.47 (4) (cg) 1. Except as provided in subd. <sup>3</sup>, for purposes of determining whether an individual's income meets the income requirements under par. (c), "income" includes all of the individual's earned and unearned income that would be included in determining eligibility for the individual or family under s. 49.19 or 49.77, or for the aged, blind, or disabled individual under 42 USC 1381 to 1385 and

"income" does not include earned and unearned income that would be excluded in determining eligibility for the individual or family under s. 49.19 or 49.77, or for the aged, blind, or disabled individual under 42 USC 1381 to 1385.

SECTION <sup>a. r. "e"</sup> 14 49.47 (4) (cg) 3. of the statutes is created to read:

49.47 (4) (cg) 3. Notwithstanding s. 49.19 (5), for purposes of determining whether an individual under par. (ag), (am), or (av) is eligible for medical assistance, the department may use income 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, 1996.

\*\*\*\*NOTE: This SECTION and SECTIONS 13 and 15 contain the income methodologies for medically needy MA. *(B(a.r. 2) 15) UPS: These refer to sections 13 and 15 of this insert*

SECTION 15. 49.47 (4) (h) of the statutes is renumbered 49.47 (4) (cg) 2. and amended to read:

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

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

Insert 7-12

SECTION 16. 49.472 (3) (b) of the statutes is amended to read:

49.472 (3) (b) The individual's assets do not exceed \$15,000. In determining assets, the department may not include shall exclude assets that are excluded from the resource calculation under 42 USC 1382b (a) or assets accumulated in an independence account. The department shall also exclude from an individual's asset calculation any life insurance policies with cash surrender values if the total face

\* value of all of the insurance policies exceeds \$1,500 but does not exceed \$5,000. The department may exclude, in whole or in part, the value of a vehicle used by the individual for transportation to paid employment.

History: 1999 a. 9, 185.

\*\*\*\*NOTE: This <sup>CS</sup> 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).

Insert 7-20

SECTION 17. 49.665 (1) (d) of the statutes is renumbered 49.665 (1) (d) (intro.) and amended to read:

49.665 (1) (d) (intro.) "Family" means ~~a unit that consists of at one of the~~ following groups of individuals:

1. At least one child and, his or her parent or parents, and, if any, the spouse of the child's parent, all of whom reside in the same household. "Family" includes ~~the spouse of an individual who is a parent if the spouse resides in the same household as the individual.~~

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

SECTION 18. 49.665 (1) (d) 2. of the statutes is created to read:

49.665 (1) (d) 2. At least one child, his or her caretaker relative, and, if any, the spouse of the child's caretaker relative, all of whom reside in the same household.

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

LRB-0460/1dn  
ISR:hmh:pg

December 28, 2000

Melissa Mullikin and Anne Miller:

Please review this draft carefully to make sure it achieves your intent. I have provided notes in the draft that will, hopefully, help you follow the changes I have made.

Please feel free to contact me to discuss the draft.

Ivy G. Sager-Rosenthal  
Legislative Attorney  
Phone: (608) 261-4455  
E-mail: [ivy.sager-rosenthal@legis.state.wi.us](mailto:ivy.sager-rosenthal@legis.state.wi.us)

\*Melissa Mullikin, DTA 1/12/01  
- Gov. only approved elimination of AFDC  
asset test

## **Sager-Rosenthal, Ivy**

---

**From:** Mullikin, Melissa  
**Sent:** Monday, January 15, 2001 3:29 PM  
**To:** Sager-Rosenthal, Ivy  
**Subject:** RE: DRAFT Response to LRB-0460/1

Hi Ivy,

Yes, we would like a delayed effective date for the elimination of the MA asset test. We'd like it to be effective 60 days after passage of the budget bill.

Thanks,  
Melissa

Melissa Mullikin  
Executive Policy and Budget Analyst  
State Budget Office  
267-7980

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

**From:** Sager-Rosenthal, Ivy  
**Sent:** Monday, January 15, 2001 3:28 PM  
**To:** Mullikin, Melissa  
**Subject:** RE: DRAFT Response to LRB-0460/1

Melissa:

DHFS suggests including a delayed effective date for the bill. Do you want to include a delayed effective date for the elimination of the AFDC-asset test? If so, how long?

Let me know,

Thanks,  
Ivy

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

**From:** Miller, Anne  
**Sent:** Wednesday, January 10, 2001 4:57 PM  
**To:** Mullikin, Melissa  
**Cc:** Bove, Fredi-Ellen; Jones, James; LaPhillip, John; Wood, Susan;  
Kraus, Jennifer; Sager-Rosenthal, Ivy  
**Subject:** DRAFT Response to LRB-0460/1

Hi Melissa!

Attached is a DRAFT response to LRB-0460/1, MA Eligibility Simplification.

I wanted to get this information over to you as soon as possible, but please understand that these comments have not yet been fully approved by the Department.

Feel free to contact me with any questions or concerns.

Anne Miller  
DHFS/OSF  
6-5422

**Comments on LRB draft for Medicaid Simplification in 2001- 2003 Budget Bill**  
January 10, 2001

BHCE staff have reviewed the draft and have the following comments on the proposed draft statutory language.

**Analysis Section**

Please make the following changes:

In 3<sup>rd</sup> line from bottom of 1<sup>st</sup> page and in 13<sup>th</sup> line of 2<sup>nd</sup> page, remove phrase "because of medical expenses".

On 2<sup>nd</sup> page in section number 3. (17<sup>th</sup> line), change the sentence to read, "A pregnant woman is eligible for MA under this category until she formally applies for MA, or until the end of the month following the month in which the health provider made the preliminary eligibility determination, whichever is earlier."

In the 2<sup>nd</sup> line from the bottom of the 2<sup>nd</sup> page, delete the phrase, "under the SSI program".

While the analysis correctly says the state is allowed under federal law to use less restrictive income methodologies, there is no mention of the department's specific intention to use the \$65 & ½ earned income disregard for the Family Medicaid groups. We would also like to see the analysis mention that this disregard is chosen to match the disregard used for SSI-related Medicaid eligibility.

The analysis omits mention of the exemption of all personal property and household goods for the SSI-related groups (see comment under Section 11).

**Statutory Language**

Section 10

Presumptive eligibility for pregnant women may be granted if their income is less than the Healthy Start limits stated in 49.46(1)(a)9. or 49.47(4)(am). To be consistent with that policy, please move the citation of "49.465(2)" from line 15 to the list of cites on line 17.

Section 49.46(1)(ar) is where the income methodology for the family Medicaid groups is described. Subsection 2. states, "... the department may use income 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, 1996." We feel this statement is too general for the department's intent to add the earned income disregard of \$65 and ½. We recommend language that specifically adds this disregard and discontinues the use of the \$30 & 1/3 and \$30 disregards found in 49.19 for the AFDC-Medicaid category of eligibility.

Section 11



We believe the change concerning the life insurance exemption would be clearer if line 10 was changed to read, "if the total face value of all of the policies exceeds \$1,500 but does not exceed \$5,000."

Section 49.46(1)(at) also needs to include mention of the exemption of all personal property and household goods. The exemption in 42 USC 1382b(a) is limited to amounts that do not exceed a value set by DHHS in regulations. So we need to specify our exemption goes beyond that set in the federal law.

#### Section 15

Changes made to the existing statutory language are changing the meaning of the law. Referring to the "individual's" income and resources does not allow us to take into account the income and resources of the spouse when determining eligibility for Medicare buy-ins. Referencing the resource limit at 1382(a)(3)(A) is incorrect. The \$3,000 limit cited there applies to households with a husband and wife and not to single adults. We are also concerned that by eliminating the reference to USC from "1381 to 1385" could cause a problem by missing some needed reference. (We have not had time to research the code to be certain of any adverse impacts.) We believe it should be sufficient to reference the whole set of SSI code as it does currently and add the specific exemptions we are changing - personal property and household goods and changing the life insurance exemption to \$5,000.

#### Section 16

The same changes mentioned for section 15 need to be made here, too.

#### Missing section

The same modifications needed for ss. 49.468(1)(d) and 49.468(2)(b) need to be made to 49.468(1m)(b). We also noted that there currently is no statutory provision for the buy-in groups added by the federal Balanced Budget Act of 1997. These groups are known as Qualified Individuals Group One (QI-1) and Qualified Individuals Group Two (QI-2). If possible to do so, we would like to have these groups added to this part of the statutes.

#### Section 17

Current statutory language was not consistent with federal law. The federal requirement is that children under 18 and residing in an institution may be eligible. Persons age 19 up to age 21 and residing in an Institution for Mental Disease (IMD) may be eligible for Medicaid. Something that looks like the following should be acceptable.

"49.47 (4) (a) 1. Under 18 and resides in an intermediate care facility, skilled nursing facility, or inpatient psychiatric hospital, or is under 21 years of age and resides in an Institution for Mental Disease."

#### Section 20

Under current statutes, 18 year olds are only eligible for categorically needy Medicaid. The department did not request a change to make all 18 year olds potentially eligible for

medically needy Medicaid. Therefore, line 22 needs to be changed from, "Under the age of 19", to, "Under the age of 18 or, if the child is a full-time student at a secondary school or its vocational or technical equivalent and is reasonably expected to complete the program before reaching 19, is under the age of 19." [Taken from 49.19(1)(a)]

#### Section 24

On line 23, after "(a)" insert "1.". Institutional minors and IMD residents under age 21 have eligibility determined under the SSI-related methodology.

#### Section 27

We would like the same changes made to 49.47(4)(cg)3. concerning the \$65 & ½ earned income disregard that we asked for in Section 10 of the draft concerning Section 49.46(1)(ar)

#### Section 30

We believe the change concerning the life insurance exemption would be clearer if line 19 was changed to read, "if the total face value of all of the policies ~~exceeds \$1,500 but~~ does not exceed \$5,000."

Section 49.472(3)(b) also needs to include mention of the exemption of all personal property and household goods.

#### Section 9323

We can not assume that all the changes we ask for will be approved in the budget, so we will not be able to make the systems changes necessary to implement the requested changes for months after the budget bill is enacted. For this reason, we request that language for the effective date for all of these provisions be something like, "no earlier than the date of enactment and no later than six months after enactment."

#### Missing Sections

The changes concerning the SSI-related personal property and household goods and the life insurance exemptions need to be added to 49.453(1)(i) and 49.455(1)(e) for divestment and spousal impoverishment policies.

## Sager-Rosenthal, Ivy

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**From:** LaPhillip, John  
**Sent:** Friday, January 12, 2001 12:41 PM  
**To:** Miller, Anne  
**Cc:** Bove, Fredi-Ellen; Jones, James; Riedasch, Scott; Wood, Susan; Kraus, Jennifer; Mullikin, Melissa; Sager-Rosenthal, Ivy  
**Subject:** Re: DRAFT Response to LRB-0460/1

I discovered an error in our comment to LRB that needs to be corrected. After checking the State Plan, I found there is no eligibility restriction for 19 and 20-year-olds to be residing in an IMD. The response for Section 17 of the draft should be changed to read as follows:

The Wisconsin Medicaid State Plan covers anyone under 21 and in an institution. An example of acceptable wording would be:

"49.47 (4) (a) 1. Under 21 years of age and resides in an intermediate care facility, skilled nursing facility, or inpatient psychiatric hospital."

Sorry for the confusion.

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