

## Fiscal Estimate - 2025 Session

☒ Original      ☐ Updated      ☐ Corrected      ☐ Supplemental

<b>LRB Number</b> <b>25-2875/1</b>	<b>Introduction Number</b> <b>AB-0253</b>	
<b>Description</b> independence accounts		
<b>Fiscal Effect</b>		
<b>State:</b>		
<div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> No State Fiscal Effect</div><div style="width: 33%;"><input checked="" type="checkbox"/> Indeterminate</div><div style="width: 33%;"></div></div>		
<div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> Increase Existing Appropriations</div><div style="width: 33%;"><input type="checkbox"/> Increase Existing Revenues</div><div style="width: 33%;"><input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget</div></div>		
<div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> Decrease Existing Appropriations</div><div style="width: 33%;"><input type="checkbox"/> Decrease Existing Revenues</div><div style="width: 33%;"><div style="display: flex; justify-content: space-between;"><span><input type="checkbox"/> Yes</span><span><input checked="" type="checkbox"/> No</span></div></div></div>		
<div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> Create New Appropriations</div><div style="width: 33%;"></div><div style="width: 33%;"><input type="checkbox"/> Decrease Costs</div></div>		
<b>Local:</b>		
<div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> No Local Government Costs</div><div style="width: 33%;"><input type="checkbox"/> Indeterminate</div><div style="width: 33%;"></div></div>		
<div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;">1. <input type="checkbox"/> Increase Costs</div><div style="width: 33%;">3. <input type="checkbox"/> Increase Revenue</div><div style="width: 33%;">5. Types of Local Government Units Affected</div></div>		
<div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div><div style="width: 33%;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div><div style="width: 33%;"><input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities</div></div>		
<div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;">2. <input type="checkbox"/> Decrease Costs</div><div style="width: 33%;">4. <input type="checkbox"/> Decrease Revenue</div><div style="width: 33%;"><input type="checkbox"/> Counties <input type="checkbox"/> Others</div></div>		
<div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div><div style="width: 33%;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div><div style="width: 33%;"><input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts</div></div>		
<b>Fund Sources Affected</b>		
<div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input checked="" type="checkbox"/> GPR    <input checked="" type="checkbox"/> FED    <input type="checkbox"/> PRO    <input type="checkbox"/> PRS    <input type="checkbox"/> SEG    <input type="checkbox"/> SEGS</div><div style="width: 33%;"></div><div style="width: 33%;"><b>Affected Ch. 20 Appropriations</b> 20.435(4)(b), (4)(o)</div></div>		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DHS/ Dominic Voehler (608) 267-7148	Andy Forsaith (608) 266-7684	6/25/2025

## Fiscal Estimate Narratives

DHS 6/25/2025

LRB Number	25-2875/1	Introduction Number	AB-0253	Estimate Type	Original
<b>Description</b> independence accounts					

### Assumptions Used in Arriving at Fiscal Estimate

The Medicaid Purchase Plan (MAPP) program is Wisconsin's Medical Assistance (MA) buy-in program, which offers eligible individuals with disabilities who are working or taking steps toward work an opportunity to purchase health care coverage through Wisconsin's MA program. This bill amends current law provisions regarding the amount of gross earnings a member may place into an independence account over a 12-month period. Additionally, the bill excludes assets that an individual acquires by inheritance when determining the individual's financial eligibility for MAPP. DHS must also determine whether federal approval is required to implement the proposed requirements, and if required, submit any state plan amendment, waiver, or other request for federal approval.

Under current law, individuals may be eligible to participate in the MAPP program if their adjusted family income is at or below 250% of the federal poverty level (FPL), individual countable assets are no more than \$15,000, and the individual meets all other non-financial functional eligibility criteria. As of April 2025, there were 32,102 individuals enrolled in the MAPP program. In determining an individual's assets for the purpose of MAPP eligibility, current law excludes assets accumulated in an independence account. An independence account is a financial account approved by the Department that consists solely of savings, and dividends or other gains derived from those savings, from income earned from paid employment. Individuals may save up to half of their earnings in this account, annually, without it counting toward the \$15,000 asset limit.

The bill includes a provision capping annual contributions to a MAPP independence account at \$15,000, limiting the amount MAPP participants with incomes over \$30,000 may contribute to an independence account. This bill provision is expected to have no measurable fiscal impact on Medicaid program costs. Few MAPP participants have independence accounts. Specifically, fewer than 10 MAPP members had any amount of savings in an independence account and account balances are typically less than \$15,000. To the extent that a member would have countable assets in excess of \$15,000 that would be deposited into an independence account, this bill would affect how much MAPP members could contribute to their independence account, but it would not affect their Medicaid benefit.

This bill also allows assets acquired by inheritance to be excluded from the asset calculation when determining MAPP financial eligibility. The Department estimates this provision would increase MAPP enrollment due to the broadening of the financial eligibility criteria. On average, MAPP costs roughly \$16,900 per member annually. For members with incomes over 100% of the FPL, annual costs are offset by monthly premium revenue equal to \$25 plus 3% of any net income over 100% of the FPL. The Department is unable to precisely estimate the fiscal impact of excluding assets acquired by inheritance in determining MAPP program eligibility. However, for a sense of scale, if the bill increased MAPP program enrollment by as little as one percent, Medicaid program costs would increase by about \$5.3 million All Funds (\$2.1 million GPR) per year.

In summary, the Department estimates that the provisions of this bill would likely result in increased costs to the Medicaid program due to higher MAPP enrollment in response to less restrictive MAPP asset requirements. However, the Department is unable to determine the number of individuals who would become eligible to receive MAPP under the provisions of this bill, and therefore, the overall fiscal effect of this bill is indeterminate.

### Long-Range Fiscal Implications