ROBERT BROOKS

STATE REPRESENTATIVE • 59TH ASSEMBLY DISTRICT

Hearing Testimony
Assembly Committee on Health, Aging and Long-Term Care
Wednesday, June 25, 2025

Chairman Moses and Members of the Assembly Committee on Health, Aging and Long-Term Care, thank you for affording me with the opportunity to testify on behalf of Assembly Bill 253, relating to the creation of independence accounts.

The Medical Assistance Purchase Plan, herein referred to as MAPP, maintains health benefit eligibility under the Wisconsin Medical Assistance Program for disable individuals who are eighteen years of age or older and earn income from work. MAPP participants are also eligible to open independence accounts through a bank or credit union with funds earned from work that are not subject to the $15,000 MAPP program asset limit.

Assembly Bill 253 would remove the fifty percent earning threshold and allow individuals with disabilities to deposit up to $15,000 of their gross earnings into an independence account over a twelve-month period. Furthermore, the bill would prohibit DHS from factoring monies obtained through inheritance into the $15,000 MAPP program asset list. These changes would remove disincentives to work and encourage individuals with disabilities to live full, independent, and productive lives.

I am happy to answer any questions that you might have.

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Testimony before the Assembly Committee on Health, Aging and Long-Term Care

Senator André Jacque

Assembly Bill 253

June 25, 2025

Chairman Moses and Members of the Assembly Committee on Health, Aging and Long-Term Care:

Thank you for the opportunity to testify in support of Assembly Bill 253. The Medical Assistance Purchase Plan (MAPP) maintains health benefit eligibility under the Wisconsin Medical Assistance program for disabled individuals who are 18 years old or older and earn income from work.

MAPP participants are also eligible to open Independence Accounts through a bank or credit union with funds earned from work that are not subject to the $15,000 MAPP program asset limit.

In addition to specifying that deposits to Independence Accounts must consist of monies earned through work, current Wisconsin state law also limits deposits to 50 percent of gross earnings, up to $15,000 over a 12-month period. Any deposits above that limit are subject to a penalty assessed by the Department of Health Services (DHS).

For example, an individual who earned $24,000 last year would be eligible to deposit $12,000 into their Independence Account. But if they deposited $15,000 into the Independence Account, DHS would assess that person a penalty of the $3,000 deposited over the 50 percent earnings limit ($15,000 - $12,000 = $3,000) over the next year, taking back $250 per month over the next 12 months.

This bill would remove the 50 percent earnings threshold and allow individuals with disabilities to deposit up to $15,000 of their gross earnings in an Independence account over a 12-month period. Further, the bill would prohibit DHS from factoring monies obtained through inheritance into the $15,000 MAPP program asset limit. These changes would remove disincentives to work and encourage individuals with disabilities to live full, independent, and productive lives.

Thank you for your consideration of Assembly Bill 253. I'm happy to answer any questions committee members may have.

State of Wisconsin
Department of Health Services
Tony Evers, Governor
Kirsten L. Johnson, Secretary

TO: Members of the Assembly Committee on Health, Aging and Long-Term Care

FROM: Arielle Exner, Legislative Director

DATE: June 25, 2025

RE: Assembly Bill 253, relating to: independence accounts

The Wisconsin Department of Health Services (DHS) appreciates the opportunity to submit written testimony for information only on Assembly Bill 253. As drafted, the bill changes the limit on annual independence account contributions for Medicaid Purchase Plan (MAPP) participants from the maximum of 50% of gross annual earnings per DHS 103.06(15) to capping it at a fixed amount of $15,000 of gross annual earnings. Separately, the proposal prohibits DHS from counting assets acquired through inheritance toward the $15,000 asset limit when determining an individual's financial eligibility for MAPP.

Wisconsin's Medicaid Purchase Plan offers Medicaid health care coverage to adults with disabilities who work or want to work. MAPP benefits are equivalent to the benefits of other Medicaid programs, but allows Wisconsinites to earn more income, up to 250% of the Federal Poverty Level, and have more assets than other Medicaid programs for individuals with disabilities. Additionally, MAPP participants can save some of their earnings in an independence account, which is not subject to MAPP's $15,000 asset limit. An independence account is a registered account approved by DHS that consists solely of savings, and dividends or other gains derived from those savings, from income earned from paid employment after the date on which an individual began receiving Medicaid benefits under MAPP per Wis. Stat. § 49.472(1)(c).

Currently, the Department evaluates MAPP members' independence account deposits annually, and if the deposits exceed 50% of the member's gross earnings within the year, a premium penalty is imposed. The proposed bill imposes premium penalties to deposits that exceed $15,000 within that 12-month period. While this change might simplify eligibility administration, this proposal is more restrictive for Wisconsinites that earn more than $30,000 annually, whom under this proposal, would be subject to a lower limit of how much they could save in an independence account than under current administrative rule. The core purpose of MAPP is to incentivize work and promote long-term financial independence for adults with disabilities, and the Department remains willing to discuss potential changes to the current limit on independence accounts and associated penalties that are less restrictive to further support all participants' financial goals.

The proposal as drafted prohibits the Department from counting inherited assets toward the $15,000 asset limit, one of the eligibility criteria for MAPP. Under this proposal, theoretically an individual could inherit assets of any amount and remain eligible for this Medicaid program. This change would broaden the eligibility pool beyond the targeted population MAPP, or any Medicaid program, is intended to serve. Additionally, DHS anticipates this would increase costs to the Medicaid program due to higher MAPP enrollment in response to less restrictive asset requirements. The Department is unable to precisely estimate the fiscal impact, 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.

DHS appreciates the Committee's consideration of these points and for the opportunity to submit testimony.

Representative Kevin Petersen and David Pinno at his previous employer

Thank you for this hearing, Representative Moses.

My name is David Pinno I am speaking in favor of AB 253. I work at Mcdonalds in Greenville.

I am a person with a disability and AB 253 gets rid of the penalty on depositing more than 50% of gross earnings into independence accounts.

I am currently on MAPP and it helps me keep my employment by providing me necessary healthcare for mental health and other health challenges. My goal is to work more, earn more and save more. AB 253 could help many rely less on public assistance.

If someone gets an inheritance sometimes people don't have a choice, and it will put them over the asset limit. AB 253 allows much needed flexibility for people to still qualify for Mapp and other programs if they get an inheritance.

I think we must ask ourselves. Why must the mapp independence account penalty exist? It keeps people like me from living an independent life by constraining savings.

Thank you for your time and consideration.

David Pinno

Wisconsin BPDD
Wisconsin Board for People With Developmental Disabilities

June 24, 2025

Rep. Clint Moses (Chair)
Assembly Committee on Health, Aging and Long-Term Care
State Capitol, Rm 12 W
Madison, WI 53708

Dear Rep. Moses and Members of the Committee:

The Wisconsin Board for People with Developmental Disabilities appreciates the opportunity to testify on AB 253. **This bill recognizes a real issue that impacts many people with disabilities.** Medicaid programs are means tested, which means eligibility is tied to maintaining a low enough income and limited assets (depending on the program). One-time inheritances can push individuals over asset or income limits and cost them their Medicaid health and/or long-term care coverage.

Medicaid is the primary payor for home and community based long-term care supports and mental health care for people with disabilities and Medicaid provides other services—like personal care and specialized health care—critical to people with disabilities and which are either unavailable on the private insurance market at all or at the level that people with disabilities need.

MAPP is Wisconsin's work incentive program for people with disabilities, and it allows people with disabilities to earn up to 250% of the Federal Poverty Level (FPL) ($39,125 for an individual) and save up to $15,000 in assets in an Independence Account. This income and asset cap is significantly more than what is allowable in other Medicaid programs.

For example, many people with serious and persistent mental illness are in BadgerCare, which limits income to $15,650 per year (100% of Federal Poverty Level). Many people with disabilities are in Family Care or IRIS— the state's long term care waivers that help people live and work in their communities and stay out of expensive Medicaid funded institutions. To be eligible for Family Care or IRIS individuals must meet the criteria for nursing home level of care as tested by the functional screen, have income not more than $15,650 per year, and have $2000 or less in assets.

The Medical Assistance Purchase Plan (MAPP) is an option for people with disabilities to continue to get the long-term care supports and services through Family Care or IRIS that allow them to earn and save significantly more while still getting the supports they need to work.

This bill takes a positive step to allow people with disabilities to inherit a small amount of money without losing their Medicaid eligibility. The proposal would allow DHS to exclude assets acquired by from inheritance from MAPP eligibility calculations and allow up to $15,000 in inheritance be deposited into a MAPP independent account over the course of a year. The problem of inheritance jeopardizing Medicaid eligibility is not confined to MAPP; it is a problem across Medicaid programs.

Currently, **there are incomplete workarounds that can allow families to pass on inheritance to family members who have disabilities, however they are limited** and rely on families knowing about them and having the means to set them up.

Wisconsin BPDD
WISCONSIN BOARD FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

Third-Party Special Needs Trusts can be created to receive inheritances for individuals who are in MAPP, Family Care, IRIS, or SSI-related Medicaid without triggering asset limits could mean loss of health or long-term care coverage.

If a person with a permanent disability has an ABLE account, that can inherit up to the annual maximum of $19,000, however that inheritance (and ABLE funds) is subject to Estate Recovery, which limits the ability for people with disabilities to pass on money from their estate to heirs they designate.

Unfortunately, people with disabilities who need the supports that are only available in Medicaid are forced to remain in perpetual poverty to access the care they need. There are many people who by circumstance or birth, injury, or chronic condition may have a need for long-term care supports over a long period of time. **Those needs should not diminish their ability to participate in the workforce and regular economy.** Our current system—even for MAPP participants—significantly limits the ability for people with disabilities to afford housing (either as a renter or acquiring their own home), personal vehicles or hiring transportation services, and to pay for routine costs of daily living.

Removing income limits from work incentive programs like MAPP—which some states have chosen to do—is one policy option that would guarantee long term care supports will accompany the person as they advance in their careers and earn more. We encourage the legislature to work with us on creative solutions that help people with disabilities contribute more to Wisconsin's workforce, taxbase, and local economies.

BPDD is charged under the federal Developmental Disabilities Assistance and Bill of Rights Act with advocacy, capacity building, and systems change to improve self-determination, independence, productivity, and integration and inclusion in all facets of community life for people with developmental disabilities[1].

Thank you for your consideration,

Beth Swedeen

Beth Swedeen, Executive Director,
Wisconsin Board for People with Developmental Disabilities

[1] More about BPDD https://wi-bpdd.org/wp-content/uploads/2018/08/Legislative_Overview_BPDD.pdf .