



House Office Building, 9 South
Lansing, Michigan 48909
Phone: 517/373-6466

MEDICAID BUY-IN FOR WORKING PEOPLE WITH DISABILITIES

House Bill 4650

Sponsor: Rep. Gerald Van Woerkom

Committee: Health Policy

Complete to 6-4-01

A SUMMARY OF HOUSE BILL 4650 AS INTRODUCED 4-24-01

Federal legislation enacted in 1997, and expanded in the Ticket to Work and Work Incentives Improvement Act (TWWIIA) of 1999, allows states to extend Medicaid coverage to working people with disabilities whose incomes otherwise would disqualify them from the program. The bill would amend the Social Welfare Act (Public Act 280 of 1939) to require the Department of Community Health to apply to the federal Department of Health and Human Services to provide medical assistance to certain workers with potentially severe disabilities and to implement a program to provide medical assistance and supplementary benefits to certain individuals based on certain income and asset levels.

Medicaid eligibility. Under the act, in order to be eligible for Medicaid, an individual must meet certain criteria described in the act's definition of a "medically indigent individual." Individuals receiving aid to dependent children (now Temporary Assistance to Needy Families, or TANF) or Supplemental Security Income (SSI) under the federal Social Security Act automatically are eligible for Medicaid. Other people also are eligible for Medicaid if they meet certain other conditions, including an annual income that is below – or because of medical expenses falls below – the act's "protected basic maintenance level." The protected level for one and two-person families is the higher income level of the payment standards generally used to determine eligibility in the Family Independence program and the SSI program. For families with three or more people, the protected income level is the payment standard generally used to determine eligibility in the Family Independence program. (Other conditions also apply, including that the individual has no other public or private medical insurance to pay for the needed medical assistance, caps on liquid or marketable assets, and certain other conditions.)

The bill would add a new section to the act to allow the Department of Community Health (DCH) to implement a program to offer medical assistance and supplementary benefits to someone who met one of two requirements: (1) The person was at least 16 years old but younger than 65 (the eligibility age for Medicare) and would otherwise be eligible except for having earnings that exceeded the limit established by the DCH, or (2) the person were employed with a "medically improved disability" and whose assets, resources, and earned and unearned income did not exceed the limit established by the DCH. The bill would define "employed person with a medically improved disability" to mean someone to whom all of the following applied: (a) was at least 16 years old but less than 65 years old; (b) was employed; (c) was no longer eligible for medical assistance under the current provisions of the Social Welfare Act because he or she, due to medical improvement, was determined at the time of a regularly scheduled continuing disability review to no longer be eligible for benefits under the act; and (d) continued to have a

House Bill 4650 (6-4-01)

severe medically determinable impairment as determined under Department of Health and Human Services regulations.

Premiums. The Department of Community Health would be allowed to require a person eligible for benefits under the proposed new section to pay a premium or other cost-sharing charge determined by the department and set on a sliding scale based on income, and to pay 100 percent of a premium in a year that the person's income was more than 250 percent of the federal poverty level applicable to a family of the size involved. If the eligible person's income for that year did not exceed 450 percent of the federal poverty level, the premium requirement would apply only to the extent that the premium did not exceed 7.5 percent of the income. In any case, a person whose adjusted gross income was more than \$75,000 in a year would have to pay 100 percent of the premium, though the DCH could decide to subsidize the premium by using state funds that were not matched by federal funds under Title XIX [Grants to States for Medical Assistance Programs] of the federal Social Security Act.

Personal assistance programs. The bill also would require the Department of Community Health to make "personal assistance services" available to someone eligible for medical assistance and supplementary benefits under the bill to the extent that such services were necessary to enable the person to remain employed. The bill would define "personal assistance services" to mean a range of services provided by one or more persons and designed to help a person with a disability in performing daily activities on or off the job that he or she typically would perform if he or she did not have a disability. The bill further specifies that personal assistance services would "be designed to increase the person's control in life and ability to perform everyday activities on or off the job."

Annual report. The bill would require the Department of Community Health to submit an annual report on the use of federal funds to the secretary of the federal Department of Health and Human Services (HHS). The report would have to include the percentage increase in the number of Title II [Federal Old-Age, Survivors, and Disability Insurance Benefits] and Title XVI [Grants to States for Aid to the Aged, Blind, or Disabled] disability beneficiaries in the state who returned to work.

Pilot project. The bill would require the Department of Community Health to apply to the secretary of HHS for approval of a pilot project under which a certain number of workers ("up to a specified maximum number") with "potentially severe disabilities" were provided medical assistance equal to that provided under the Medicaid program. The bill would define "worker with a potentially severe disability" to mean a person who met all of the following criteria: (1) was at least 16 years old but less than 65 years old; (b) had a specific physical or mental impairment that, as defined by the DCH, was reasonably expected, but for receiving medical assistance as described in Title XIX of the Social Security Act, to become blind or disabled (as defined in Title XVI of the Social Security Act); and (c) was employed.

Other changes. The bill would replace current references to "aid to dependent children" with "Family Independence program benefits," and to "the state department [of Social Services]"

with “the Family Independence Agency.” The bill also would strike, and reinstate under separate subsections, current language in the act regarding the state department’s right of subrogation.

MCL 400.106 and 400.106a

Analyst: S. Ekstrom

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.