

**THE SOCIAL WELFARE ACT (EXCERPT)**  
**Act 280 of 1939**

\*\*\*\*\* 400.106a.amended THIS AMENDED SECTION IS EFFECTIVE 91 DAYS AFTER ADJOURNMENT  
OF THE 2012 REGULAR SESSION SINE DIE \*\*\*\*\*

**400.106a.amended Short title of section; medical assistance to individuals with earned income; establishment of program; limitation; permitted acts; premium; basis; sliding fee scale; waiver; definitions.**

Sec. 106a. (1) This section shall be known and may be cited as the "Michigan freedom to work for individuals with disabilities law".

(2) The department of community health shall establish a program to provide medical assistance to individuals who have earned income and who meet all of the following initial eligibility criteria:

(a) The individual has been found to be disabled under the federal supplemental security income program or the social security disability income program, or would be found to be disabled except for earnings in excess of the substantial gainful activity level as established by the United States social security administration.

(b) The individual is at least 16 years of age and younger than 65 years of age.

(c) The individual has a countable income level of not more than 250% of the current federal poverty guidelines for a family of 1.

(d) The individual's assets meet the medicare part D extra help low income subsidy (LIS) and medicare savings program (MSP) asset limit, as adjusted annually.

(e) The individual is employed on a regular and continuing basis.

(3) The program is limited to the medical assistance services made available to recipients under the medical assistance program administered under section 105.

(4) Without losing eligibility for medical assistance, an individual who qualifies for and is enrolled under this program is permitted to do all of the following:

(a) Accumulate personal savings and assets not to exceed \$75,000.00.

(b) Accumulate unlimited retirement and individual retirement accounts with income from employment while enrolled in the freedom to work for individuals with disabilities program. Assets described in this subdivision shall remain excluded from eligibility consideration for other medicaid programs for the individual even if he or she loses eligibility under this section.

(c) Have temporary breaks in employment that do not exceed 24 months if the temporary breaks are the result of an involuntary layoff or are determined to be medically necessary or for relocation necessary due to employment in this state.

(d) Work and have income that exceeds the amount permitted under section 106, but shall not have unearned income that exceeds 250% of the federal poverty guidelines.

(5) The department of community health shall establish a premium that is based on the enrolled individual's earned and unearned income. An enrolled individual shall pay a sliding fee scale monthly premium based on an annual review of total gross income as follows:

(a) No premium for individuals with gross income less than 138% of the federal poverty guidelines for a family of 1.

(b) A premium of 7.5% per month of gross income for individuals who have total gross income between 138% of the federal poverty guidelines for a family of 1 and \$75,000.00 annual adjusted gross income.

(c) A premium of 100% of the average freedom to work program participant cost for an enrolled individual with adjusted gross income over \$75,000.00 annually.

(d) The premium for an enrolled individual shall generally be assessed on an annual basis based on the annual return required to be filed under the internal revenue code of 1986 or other evidence of earned income and shall be payable on a monthly basis. The premium shall be adjusted during the year when a change in an enrolled individual's rate of annual income changes.

(6) If the terms of this section are inconsistent with federal regulations governing federal financial participation in the medical assistance program, the department of community health may to the extent necessary waive any requirement set forth in subsections (1) to (5).

(7) As used in this section:

(a) "Adjusted gross income" means that term as defined in section 62 of the internal revenue code of 1986.

(b) "Countable income", "earned income", and "unearned income" mean those terms as used by the department in determining eligibility for the medical assistance program administered under this act.

(c) "Federal poverty guidelines" means the poverty guidelines published annually in the federal register by

the United States department of health and human services under its authority to revise the poverty line under section 673(2) of subtitle B of title VI of the omnibus budget reconciliation act of 1981, 42 USC 9902.

**History:** Add. 2003, Act 32, Imd. Eff. July 2, 2003;—Am. 2012, Act 356, Eff. (sine die).

**Popular name:** Act 280