

FIRST REGULAR SESSION

# HOUSE BILL NO. 827

## 93RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES PORTWOOD (Sponsor), WRIGHT (137),  
NOLTE AND LEMBKE (Co-sponsors).

Read 1<sup>st</sup> time Marach 17, 2005 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

1737L.011

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### AN ACT

To repeal section 208.146, RSMo, and to enact in lieu thereof one new section relating to continuation of medical assistance for employed disabled persons.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 208.146, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 208.146, to read as follows:

208.146. 1. Pursuant to the federal Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIA) (Public Law 106-170), the medical assistance provided for in section 208.151 may be paid for a person who is employed and who:

(1) Meets the definition of disabled under the supplemental security income program [or meets the definition of an employed individual with a medically improved disability under TWWIA] **for the aged, blind, and disabled, 42 U.S.C. Section 1382c. For purposes of this section, the term "disabled beneficiary" means a Title II disability beneficiary or a Title XVI disability beneficiary;**

(2) Meets the asset limits in subsection 2 of this section; [and]

(3) Has a gross income of [two hundred fifty percent or less of the federal poverty guidelines. For purposes of this subdivision, "income" does not include any income of the person's spouse up to one hundred thousand dollars or children. Individuals with incomes in excess of one hundred fifty percent of the federal poverty level shall pay a premium for participation in accordance with subsection 5 of this section] **fifteen thousand dollars or less per year and pays a premium for participation in accordance with subsection 5 of this**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 **section. To be considered earned income, Medicare, Social Security, and applicable state**  
17 **and federal income taxes must be withheld. To be eligible, a person shall document any**  
18 **unearned income and all income tax withholdings;**

19 **(4) Submits to the state a one-time sixty-five dollar application fee.**

20

21 **For purposes of this section, an individual is considered to be employed if the individual**  
22 **is earning at least the applicable minimum wage required under Section 6 of the Fair**  
23 **Labor Standards Act, 29 U.S.C. Section 206, and is working at least forty hours per month.**

24 2. For purposes of determining eligibility pursuant to this section, a person's assets shall  
25 not **exceed one thousand dollars per individual or two thousand dollars per couple, but**  
26 **shall not** include:

27 (1) Any [spousal assets up to one hundred thousand dollars, one-half of any marital  
28 assets and all assets excluded pursuant to section 208.010] **combined spousal and disabled**  
29 **beneficiary's income up to thirty-two thousand five hundred dollars; except that, the**  
30 **disabled beneficiary's income shall not exceed fifteen thousand dollars per year;**

31 (2) **Any** retirement accounts, including [individual accounts,] 401(k) plans, 403(b) plans,  
32 Keogh plans and pension plans;

33 (3) Medical expense accounts set up through the person's employer[;

34 (4) Family development accounts established pursuant to sections 208.750 to 208.775;  
35 **or] with a value not to exceed five thousand dollars per year;**

36 **(4) Independent living development accounts with a value not to exceed ten**  
37 **thousand dollars per year;**

38 (5) PASS plans **for achieving self support.**

39 3. A person who is otherwise eligible for medical assistance pursuant to this section shall  
40 not lose his or her eligibility **solely** if such person maintains an independent living development  
41 account **with a value not to exceed ten thousand dollars per year.** For purposes of this  
42 section, an "independent living development account" means an account established and  
43 maintained to provide savings for transportation, housing, home modification, and personal care  
44 services and assistive devices associated with such person's disability. Independent living  
45 development accounts, **medical expense accounts**, and retirement accounts pursuant to  
46 [subdivision (2) of] subsection 2 of this section shall be limited to deposits of earned income and  
47 earnings on such deposits made by the eligible individual while participating in the program and  
48 shall not be considered an asset for purposes of determining and maintaining eligibility pursuant  
49 to section 208.151 until such person reaches the age of sixty-five.

50 4. (1) **If an eligible individual is receiving or is eligible to receive state-sponsored**  
51 **health insurance and the premiums for the state-sponsored health insurance are less than**

52 **the amount Medicaid would pay for such individual's monthly care, the individual shall**  
53 **participate in the state-sponsored insurance and the department shall pay such individual's**  
54 **portion of the premiums associated with participation in the state-sponsored health**  
55 **insurance that exceed the individual's monthly premiums defined in subsection 12 of this**  
56 **section.**

57 (2) If an eligible individual's employer offers employer-sponsored health insurance [and  
58 the department of social services determines that it is more cost effective], the individual shall  
59 participate in the employer-sponsored insurance. The department shall pay such individual's  
60 portion of the premiums, [co-payments and any other costs] **if any**, associated with participation  
61 in the employer-sponsored health insurance **that exceed the individual's monthly premiums**  
62 **defined in subsection 12 of this section.**

63 5. Any person whose income exceeds [one hundred fifty] **eighty** percent of the federal  
64 poverty level shall pay a premium for participation in the medical assistance provided in this  
65 section. [The premium shall be:

66 (1) For a person whose income is between one hundred fifty-one and one hundred  
67 seventy-five percent of the federal poverty level, four percent of income at one hundred  
68 sixty-three percent of the federal poverty level;

69 (2) For a person whose income is between one hundred seventy-six and two hundred  
70 percent of the federal poverty level, five percent of income at one hundred eighty-eight percent  
71 of the federal poverty level;

72 (3) For a person whose income is between two hundred one and two hundred twenty-five  
73 percent of the federal poverty level, six percent of income at two hundred thirteen percent of the  
74 federal poverty level;

75 (4) For a person whose income is between two hundred twenty-six and two hundred fifty  
76 percent of the federal poverty level, seven percent of income at two hundred thirty-eight percent  
77 of the federal poverty level.

78 6. If the department elects to pay employer-sponsored insurance pursuant to subsection  
79 4 of this section then the medical assistance established by this section shall be provided to an  
80 eligible person as a secondary or supplemental policy to any employer-sponsored benefits which  
81 may be available to such person.

82 7.] **6. Qualification for continued medical assistance provided under this section**  
83 **shall not exempt a person from the income limits and spend down of assets requirements**  
84 **for such medical assistance; except that premiums paid under subsection 5 of this section**  
85 **and contributions made to medical savings and independent living development accounts**  
86 **up to the maximum permitted per year under subsections 2 and 3 of this section shall not**  
87 **be included as income for purposes of income limits and spend down of assets**

88 requirements.

89           **7. (1) All enrollees shall pay a premium to be eligible for medical assistance under**  
90 **this section. An enrollee shall pay the greater of a one-hundred-dollar monthly premium**  
91 **or the premium calculated in subdivision (3) of subsection 12 of this section.**

92           **(2) Any required premium shall be determined at application and redetermined at**  
93 **the enrollee's six-month income review or when a change in income or household size is**  
94 **reported. Enrollees shall report any change in income or household size within ten days**  
95 **of the occurrence of such change. An increase or decrease in premiums resulting from a**  
96 **reported change in income or household size shall be effective the first day of the month**  
97 **immediately following the month in which the change is reported.**

98           **8. The department shall initiate a determination of eligibility for any individual**  
99 **requesting medical assistance under this section as follows:**

100           **(1) For all individuals who have been receiving medical assistance under this**  
101 **section before January 1, 2006, the disabled beneficiary shall initiate a reverification of**  
102 **eligibility not later than February 15, 2006;**

103           **(2) For all individuals who apply for medical assistance under this section after**  
104 **January 1, 2006, the department shall initiate a determination of the applicant's eligibility**  
105 **for continued assistance under this section within thirty days of application;**

106           **(3) Following the assessments in subdivisions (1) and (2) of this subsection, the**  
107 **department shall reverify an eligible individual's eligibility at least once every twelve**  
108 **months; and**

109           **(4) The department shall require eligible individuals to provide documentation for**  
110 **income and asset verification purposes. Such documentation may include, but not be**  
111 **limited to:**

112           **(a) Current wage stubs for the eligible individual and such individual's spouse;**

113           **(b) A current W-2 form;**

114           **(c) Statements from the eligible individual's employer;**

115           **(d) A wage match with the division of employment security;**

116           **(e) Statements from the financial institution or entity maintaining any of the**  
117 **accounts listed under subsection 2 of this section for the eligible individual or such**  
118 **individual's spouse.**

119           **9. Any eligible individual under this section who is a Medicaid dual eligible shall**  
120 **be ineligible for continued prescription drugs or medication assistance under this section.**  
121 **For purposes of this subsection, "Medicaid dual eligible" means a person who is eligible**  
122 **for Medicare and Medicaid as defined by the Medicare Prescription Drug, Improvement,**  
123 **and Modernization Act of 2003.**

124           **10.** The department of social services shall submit the appropriate documentation to the  
125 federal government for approval, which allows the resources listed in [subdivisions (1) to (5) of]  
126 subsection 2 of this section and subsection 3 of this section to be exempt for purposes of  
127 determining eligibility pursuant to this section.

128           [8.] **11.** The department of social services shall apply for any and all grants [which] **that**  
129 may be available to offset the costs associated with the implementation of this section.

130           [9.] **12. (1)** The department of social services shall [not contract for the collection of]  
131 **collect** premiums pursuant to this chapter. To the best of their ability, the department shall  
132 collect premiums through the monthly electronic funds transfer or employer deduction.

133           **(2) (a) Nonpayment of the premium shall result in denial or termination of medical**  
134 **assistance unless the person demonstrates good cause for such nonpayment.**

135           **(b) Any individual who fails to pay the required premium for any given month**  
136 **without good cause shall not be eligible for participation for the remainder of the**  
137 **participation year.**

138           **(c) No person disenrolled for nonpayment of premium shall be reenrolled unless**  
139 **such person pays any past due premiums as well as current premiums prior to being**  
140 **reenrolled. Nonpayment shall include payment with a returned, refused, or dishonored**  
141 **instrument.**

142           **(3) Any person whose income exceeds eighteen thousand dollars per year shall not**  
143 **be eligible for participation in the program. Monthly premiums shall be based on the**  
144 **individual's income for the previous month. The premiums shall be:**

145           **(a) For incomes between one dollar and three hundred ninety-nine dollars, one**  
146 **hundred dollars;**

147           **(b) For incomes between four hundred dollars and eight hundred ninety-nine**  
148 **dollars, two hundred dollars;**

149           **(c) For incomes between nine hundred dollars and one thousand one hundred**  
150 **ninety-nine dollars, three hundred dollars; and**

151           **(d) For incomes between one thousand two hundred dollars and one thousand four**  
152 **hundred ninety-nine dollars, four hundred dollars.**

153           [10.] **13.** Recipients of services through this chapter who pay a premium shall do so by  
154 electronic funds transfer or employer deduction unless good cause is shown to pay otherwise.

155           **14. Eligibility for continued medical assistance under this section shall not exceed**  
156 **five years. For the fourth and fifth year of eligibility under this section, such individual**  
157 **may participate in the program by paying a premium equal to forty percent of the average**  
158 **monthly per person expenditure in the state's Medicaid program.**

159           **15. Any person receiving medical assistance under this section who does not**

160 provide the documentation required for verification or reverification of eligibility by  
161 February twenty-first of each year shall not be eligible for participation in the program for  
162 that year.

163 **16. Any person who applies for or receives medical assistance under this section**  
164 **who knowingly provides false documentation required for verification or reverification of**  
165 **eligibility shall be subject to prosecution for Medicaid fraud and shall be permanently**  
166 **barred from participation in any state-funded medical assistance program.**

167 **17. After four consecutive months of enrollment, a person enrolled in medical**  
168 **assistance under this section who:**

169 **(1) Is temporarily unable to work and without receipt of earned income due to a**  
170 **medical condition, as verified by a physician may retain eligibility for up to three calendar**  
171 **months; or**

172 **(2) Loses employment for reasons not attributable to the enrollee may retain**  
173 **eligibility for up to three consecutive months after the month of job loss. To receive a**  
174 **three-month extension, an enrollee shall verify the medical condition or provide**  
175 **notification of job loss. All other eligibility requirements shall be met and the enrollee shall**  
176 **pay all calculated premium costs for continued eligibility.**

177 **18. The provisions of this section shall become effective January 1, 2006, and shall**  
178 **terminate on December 31, 2011.**