

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 827

93RD GENERAL ASSEMBLY

Reported from the Committee on Senior Citizen Advocacy April 7, 2005, with recommendation that House Committee Substitute for House Bill No. 827 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

Reported from the Committee on Rules April 12, 2005 with recommendation that House Committee Substitute for House Bill No. 827 Do pass with no time limit for debate.

Taken up for Perfection April 19, 2005. House Committee Substitute for House Bill No. 827 ordered Perfected and printed, as amended.

STEPHEN S. DAVIS, Chief Clerk

1737L.04P

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.

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Section A. Section 208.146, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 208.146, to read as follows: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)] **42 U.S.C. Section 1396a(a)(10)(A)(ii)(XIII)**, 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 person who meets the definition of disabled to qualify for disability benefits under Title II of the Social Security Act or would if not for earnings;**

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

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.

12 (3) Has a gross income of [two hundred fifty percent or less of the federal poverty
13 guidelines. For purposes of this subdivision, "income" does not include any income of the
14 person's spouse up to one hundred thousand dollars or children. Individuals with incomes in
15 excess of one hundred fifty percent of the federal poverty level shall pay a premium for
16 participation in accordance with subsection 5 of this section] **eighteen thousand dollars or less**
17 **per year and pays a premium for participation in accordance with subsection 5 of this**
18 **section. For married couples, combined spousal and disabled beneficiary's gross income**
19 **shall not exceed thirty-two thousand five hundred dollars per year; except that, the**
20 **disabled beneficiary's income shall not exceed eighteen thousand dollars per year. To be**
21 **considered earned income, Medicare, Social Security, and applicable state and federal**
22 **income taxes must be withheld. Self-employed persons shall provide proof of payment of**
23 **Medicare and Social Security taxes for income to be considered earned. To be eligible, a**
24 **person shall document any unearned income and all income tax withholdings;**

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

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

29 (1) Any [spousal assets up to one hundred thousand dollars, one-half of any marital
30 assets and all] assets excluded pursuant to section 208.010;

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. If an eligible individual's employer offers employer-sponsored health insurance and
51 the department of social services determines that it is more cost effective, the individual shall
52 participate in the employer-sponsored insurance. The department shall pay such individual's
53 portion of the premiums, [co-payments and any other costs] **if any**, associated with participation
54 in the employer-sponsored health insurance.

55 5. Any person whose income exceeds [one hundred fifty percent of the federal poverty
56 level shall pay a premium for participation in the medical assistance provided in this section.
57 The premium shall be:

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

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

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

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

70 6. If the department elects to pay employer-sponsored insurance pursuant to subsection
71 4 of this section then the medical assistance established by this section shall be provided to an
72 eligible person as a secondary or supplemental policy to any employer-sponsored benefits which
73 may be available to such person.

74 **7.] the limit for permanent and total disability benefits in subdivision (25) of**
75 **subsection 1 of section 208.151 shall pay a premium equal to the amount of such person's**
76 **spend down amount under subdivision (25) of subsection 1 of section 208.151.**
77 **Contributions made to medical savings and independent living development accounts up**
78 **to the maximum permitted per year under subsections 2 and 3 of this section shall not be**
79 **included as income for purposes of determining the premium under this subsection.**
80 **Premiums calculated under subdivision (3) of subsection 12 of this section shall be**
81 **deducted from the disabled beneficiary's income to calculate under this subsection.**

82 **6. Contributions made to medical savings and independent living development**
83 **accounts up to a maximum of one thousand two hundred fifty dollars per month shall not**

84 be included as income for the purposes of determining if income is below the limits set in
85 subdivision (3) of subsection 1 of this section.

86 7. (1) All enrollees shall pay a premium to be eligible for medical assistance under
87 this section. The total monthly premium an enrollee shall pay shall be the premium
88 calculated in subsection 5 of this section plus the premium calculated in subdivision (3) of
89 subsection 12 of this section.

90 (2) Any required premium shall be determined at application and redetermined at
91 the enrollee's six-month income review or when a change in income or household size is
92 reported. Enrollees shall report any change in income or household size within ten days
93 of the occurrence of such change. An increase in premiums resulting from a reported
94 change in income shall be effective with the next premium invoice that is mailed to a person
95 after due process requirements have been met. A decrease in premiums shall be effective
96 the first day of the month immediately following the month in which the change is
97 reported.

98 8. (1) The family support division shall conduct an annual income and eligibility
99 verification review of each recipient of medical assistance under this section. Such review
100 shall be completed not later than twelve months after the recipient's last eligibility
101 determination.

102 (2) The family support division shall annually send a reverification eligibility form
103 letter to the recipient requiring the recipient to respond within ten days of receiving the
104 letter and to provide income verification documentation described in subdivision (4) of this
105 subsection. If the division does not receive the recipient's response and documentation
106 within the ten-day period, the division shall send a letter notifying the recipient that he or
107 she has ten days to file an appeal or the case will be closed.

108 (3) The family support division shall require recipients to provide documentation
109 for income verification for purposes of eligibility review described in subdivision (1) of this
110 subsection. Such documentation may include, but shall not be limited to:

- 111 (a) Current wage stubs;
- 112 (b) A current W-2 form;
- 113 (c) Statements from the recipient's employer;
- 114 (d) A wage match with the division of employment security; and
- 115 (e) Bank statements.

116 9. Any eligible individual under this section who is a Medicaid dual eligible shall
117 be ineligible for continued prescription drugs or medication assistance under this section.
118 For purposes of this subsection, "Medicaid dual eligible" means a person who is eligible

119 **for Medicare and Medicaid as defined by the Medicare Prescription Drug, Improvement,**
120 **and Modernization Act of 2003.**

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

125 [8.] **11.** The department of social services shall apply for any and all grants [which] **that**
126 may be available to offset the costs associated with the implementation of this section.

127 [9.] **12. (1)** The department of social services shall [not contract for the collection of]
128 **collect** premiums pursuant to this chapter. To the best of their ability, the department shall
129 collect premiums through the monthly electronic funds transfer or employer deduction.

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

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

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

139 **(3) Monthly premiums shall be based on the individual's earned income at the time**
140 **the premium invoice is mailed. The premiums shall be:**

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

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

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

147 **(d) For earned incomes of one thousand two hundred dollars or more, four**
148 **hundred dollars.**

149 [10.] **13.** Recipients of services through this chapter who pay a premium shall do so by
150 electronic funds transfer or employer deduction unless good cause is shown to pay otherwise.

151 **14. Any person who applies for or receives medical assistance under this section**
152 **who knowingly provides false documentation required for verification or reverification of**
153 **eligibility shall be subject to prosecution for Medicaid fraud.**

154 **15. After four consecutive months of enrollment, a person enrolled in medical**
155 **assistance under this section who:**

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

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

164 **16. Notwithstanding any other provision of law to the contrary, in any given fiscal**
165 **year, any persons made eligible for medical assistance benefits under this section shall only**
166 **be eligible if annual appropriations are made for such eligibility. This subsection shall not**
167 **apply to classes of individuals listed in 42 U.S.C. Section 1396a(a)(10)(A)(i).**

168 **17. Pursuant to section 23.253, RSMo, of the Missouri Sunset Act, the provisions of**
169 **the new program authorized under section 208.146 shall sunset on June 30, 2008.**