

SECOND REGULAR SESSION  
[PERFECTED]  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1742**  
**93RD GENERAL ASSEMBLY**

---

Reported from the Committee on Senior Citizens Advocacy February 20, 2006 with recommendation that House Committee Substitute for House Bill No. 1742 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

Reported from the Committee on Rules February 22, 2006 with recommendation that House Committee Substitute for House Bill No. 1742 Do Pass with no time limit for debate.

Taken up for Perfection March 1, 2006. House Committee Substitute for House Bill No. 1742 ordered Perfected and printed, as amended.

STEPHEN S. DAVIS, Chief Clerk

5088L.02P

---

**AN ACT**

To repeal section 208.151, RSMo, and to enact in lieu thereof two new sections relating to medical assistance eligibility for certain persons, with an emergency clause and expiration date.

---

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

Section A. Section 208.151, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 208.146 and 208.151, to read as follows:

**208.146. 1. Subject to appropriations and in accordance with the federal Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA), 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) Except for earnings, 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 TWWIIA;**

**(2) Has earned income, as defined in subsection 2 of this section;**

**(3) Meets the asset limits in subsection 3 of this section;**

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.

10           (4) Has net income, as defined in subsection 3 of this section, that does not exceed  
11 the limit for permanent and totally disabled (PTD) individuals to receive nonspenddown  
12 Medicaid under subdivision (24) of subsection 1 of section 208.151; and

13           (5) Has a gross income of two hundred fifty percent or less of the federal poverty  
14 level. For purposes of this subdivision, "gross income" includes all income of the person  
15 and the person's spouse that would be considered in determining Medicaid eligibility for  
16 permanent and totally disabled (PTD) individuals under subdivision (24) of subsection 1  
17 of section 208.151. Individuals with gross incomes in excess of one hundred percent of the  
18 federal poverty level shall pay a premium for participation in accordance with subsection  
19 4 of this section.

20           2. For income to be considered earned income for purposes of this section, the  
21 department of social services shall document that Medicare and Social Security taxes are  
22 withheld from such income. Self-employed persons shall provide proof of payment of  
23 Medicare and Social Security taxes for income to be considered earned.

24           3. (1) For purposes of determining eligibility under this section, the available asset  
25 limit and the definition of available assets shall be the same as those used to determine  
26 Medicaid eligibility for permanent and totally disabled (PTD) individuals under  
27 subdivision (24) of subsection 1 of section 208.151 except for:

28           (a) Medical savings accounts limited to deposits of earned income and earnings on  
29 such income while a participant in the program created under this section with a value not  
30 to exceed five thousand dollars per year;

31           (b) Independent living accounts limited to deposits of earned income and earnings  
32 on such income while a participant in the program created under this section with a value  
33 not to exceed five thousand dollars per year. For purposes of this section, an "independent  
34 living account" means an account established and maintained to provide savings for  
35 transportation, housing, home modification, and personal care services and assistive  
36 devices associated with such person's disability.

37           (2) To determine net income, the following shall be disregarded:

38           (a) All earned income of the disabled worker;

39           (b) The first sixty-five dollars and one-half of the remaining earned income of a  
40 nondisabled spouse's earned income;

41           (c) A twenty-dollar standard deduction;

42           (d) Health insurance premiums;

43           (e) All Supplemental Security Income (SSI) payments;

44           (f) A standard deduction for impairment-related employment expenses equal to  
45 one-half of the disabled worker's earned income.

46           **4. Any person whose gross income exceeds one hundred percent of the federal**  
47 **poverty level shall pay a premium for participation in the medical assistance provided in**  
48 **this section. Such premium shall be:**

49           **(1) For a person whose gross income is more than one hundred percent but less**  
50 **than one hundred fifty percent of the federal poverty level, seven and one-half percent of**  
51 **income at one hundred percent of the federal poverty level;**

52           **(2) For a person whose gross income equals or exceeds one hundred fifty percent**  
53 **but is less than two hundred percent of the federal poverty level, seven and one-half**  
54 **percent of income at one hundred fifty percent of the federal poverty level;**

55           **(3) For a person whose gross income equals or exceeds two hundred percent of the**  
56 **federal poverty level, seven and one-half percent of income at two hundred percent of the**  
57 **federal poverty level.**

58           **5. If an eligible person's employer offers employer-sponsored health insurance and**  
59 **the department of social services determines that it is more cost effective, such person shall**  
60 **participate in the employer-sponsored insurance. The department shall pay such person's**  
61 **portion of the premiums, co-payments, and any other costs associated with participation**  
62 **in the employer-sponsored health insurance.**

          208.151. 1. For the purpose of paying medical assistance on behalf of needy persons and  
2 to comply with Title XIX, Public Law 89-97, 1965 amendments to the federal Social Security  
3 Act (42 U.S.C. Section 301 et seq.) as amended, the following needy persons shall be eligible  
4 to receive medical assistance to the extent and in the manner hereinafter provided:

5           (1) All recipients of state supplemental payments for the aged, blind and disabled;

6           (2) All recipients of aid to families with dependent children benefits, including all  
7 persons under nineteen years of age who would be classified as dependent children except for  
8 the requirements of subdivision (1) of subsection 1 of section 208.040;

9           (3) All recipients of blind pension benefits;

10          (4) All persons who would be determined to be eligible for old age assistance benefits,  
11 permanent and total disability benefits, or aid to the blind benefits under the eligibility standards  
12 in effect December 31, 1973, or less restrictive standards as established by rule of the family  
13 support division, who are sixty-five years of age or over and are patients in state institutions for  
14 mental diseases or tuberculosis;

15          (5) All persons under the age of twenty-one years who would be eligible for aid to  
16 families with dependent children except for the requirements of subdivision (2) of subsection 1  
17 of section 208.040, and who are residing in an intermediate care facility, or receiving active  
18 treatment as inpatients in psychiatric facilities or programs, as defined in 42 U.S.C. 1396d, as  
19 amended;

- 20 (6) All persons under the age of twenty-one years who would be eligible for aid to  
21 families with dependent children benefits except for the requirement of deprivation of parental  
22 support as provided for in subdivision (2) of subsection 1 of section 208.040;
- 23 (7) All persons eligible to receive nursing care benefits;
- 24 (8) All recipients of family foster home or nonprofit private child-care institution care,  
25 subsidized adoption benefits and parental school care wherein state funds are used as partial or  
26 full payment for such care;
- 27 (9) All persons who were recipients of old age assistance benefits, aid to the permanently  
28 and totally disabled, or aid to the blind benefits on December 31, 1973, and who continue to  
29 meet the eligibility requirements, except income, for these assistance categories, but who are no  
30 longer receiving such benefits because of the implementation of Title XVI of the federal Social  
31 Security Act, as amended;
- 32 (10) Pregnant women who meet the requirements for aid to families with dependent  
33 children, except for the existence of a dependent child in the home;
- 34 (11) Pregnant women who meet the requirements for aid to families with dependent  
35 children, except for the existence of a dependent child who is deprived of parental support as  
36 provided for in subdivision (2) of subsection 1 of section 208.040;
- 37 (12) Pregnant women or infants under one year of age, or both, whose family income  
38 does not exceed an income eligibility standard equal to one hundred eighty-five percent of the  
39 federal poverty level as established and amended by the federal Department of Health and  
40 Human Services, or its successor agency;
- 41 (13) Children who have attained one year of age but have not attained six years of age  
42 who are eligible for medical assistance under 6401 of P.L. 101-239 (Omnibus Budget  
43 Reconciliation Act of 1989). The family support division shall use an income eligibility standard  
44 equal to one hundred thirty-three percent of the federal poverty level established by the  
45 Department of Health and Human Services, or its successor agency;
- 46 (14) Children who have attained six years of age but have not attained nineteen years of  
47 age. For children who have attained six years of age but have not attained nineteen years of age,  
48 the family support division shall use an income assessment methodology which provides for  
49 eligibility when family income is equal to or less than equal to one hundred percent of the federal  
50 poverty level established by the Department of Health and Human Services, or its successor  
51 agency. As necessary to provide Medicaid coverage under this subdivision, the department of  
52 social services may revise the state Medicaid plan to extend coverage under 42 U.S.C. 1396a  
53 (a)(10)(A)(i)(III) to children who have attained six years of age but have not attained nineteen  
54 years of age as permitted by paragraph (2) of subsection (n) of 42 U.S.C. 1396d using a more

55 liberal income assessment methodology as authorized by paragraph (2) of subsection (r) of 42  
56 U.S.C. 1396a;

57 (15) The family support division shall not establish a resource eligibility standard in  
58 assessing eligibility for persons under subdivision (12), (13) or (14) of this subsection. The  
59 division of medical services shall define the amount and scope of benefits which are available  
60 to individuals eligible under each of the subdivisions (12), (13), and (14) of this subsection, in  
61 accordance with the requirements of federal law and regulations promulgated thereunder;

62 (16) Notwithstanding any other provisions of law to the contrary, ambulatory prenatal  
63 care shall be made available to pregnant women during a period of presumptive eligibility  
64 pursuant to 42 U.S.C. Section 1396r-1, as amended;

65 (17) A child born to a woman eligible for and receiving medical assistance under this  
66 section on the date of the child's birth shall be deemed to have applied for medical assistance and  
67 to have been found eligible for such assistance under such plan on the date of such birth and to  
68 remain eligible for such assistance for a period of time determined in accordance with applicable  
69 federal and state law and regulations so long as the child is a member of the woman's household  
70 and either the woman remains eligible for such assistance or for children born on or after January  
71 1, 1991, the woman would remain eligible for such assistance if she were still pregnant. Upon  
72 notification of such child's birth, the family support division shall assign a medical assistance  
73 eligibility identification number to the child so that claims may be submitted and paid under such  
74 child's identification number;

75 (18) Pregnant women and children eligible for medical assistance pursuant to  
76 subdivision (12), (13) or (14) of this subsection shall not as a condition of eligibility for medical  
77 assistance benefits be required to apply for aid to families with dependent children. The family  
78 support division shall utilize an application for eligibility for such persons which eliminates  
79 information requirements other than those necessary to apply for medical assistance. The  
80 division shall provide such application forms to applicants whose preliminary income  
81 information indicates that they are ineligible for aid to families with dependent children.  
82 Applicants for medical assistance benefits under subdivision (12), (13) or (14) shall be informed  
83 of the aid to families with dependent children program and that they are entitled to apply for such  
84 benefits. Any forms utilized by the family support division for assessing eligibility under this  
85 chapter shall be as simple as practicable;

86 (19) Subject to appropriations necessary to recruit and train such staff, the family support  
87 division shall provide one or more full-time, permanent case workers to process applications for  
88 medical assistance at the site of a health care provider, if the health care provider requests the  
89 placement of such case workers and reimburses the division for the expenses including but not  
90 limited to salaries, benefits, travel, training, telephone, supplies, and equipment, of such case

91 workers. The division may provide a health care provider with a part-time or temporary case  
92 worker at the site of a health care provider if the health care provider requests the placement of  
93 such a case worker and reimburses the division for the expenses, including but not limited to the  
94 salary, benefits, travel, training, telephone, supplies, and equipment, of such a case worker. The  
95 division may seek to employ such case workers who are otherwise qualified for such positions  
96 and who are current or former welfare recipients. The division may consider training such  
97 current or former welfare recipients as case workers for this program;

98 (20) Pregnant women who are eligible for, have applied for and have received medical  
99 assistance under subdivision (2), (10), (11) or (12) of this subsection shall continue to be  
100 considered eligible for all pregnancy-related and postpartum medical assistance provided under  
101 section 208.152 until the end of the sixty-day period beginning on the last day of their pregnancy;

102 (21) Case management services for pregnant women and young children at risk shall be  
103 a covered service. To the greatest extent possible, and in compliance with federal law and  
104 regulations, the department of health and senior services shall provide case management services  
105 to pregnant women by contract or agreement with the department of social services through local  
106 health departments organized under the provisions of chapter 192, RSMo, or chapter 205, RSMo,  
107 or a city health department operated under a city charter or a combined city-county health  
108 department or other department of health and senior services designees. To the greatest extent  
109 possible the department of social services and the department of health and senior services shall  
110 mutually coordinate all services for pregnant women and children with the crippled children's  
111 program, the prevention of mental retardation program and the prenatal care program  
112 administered by the department of health and senior services. The department of social services  
113 shall by regulation establish the methodology for reimbursement for case management services  
114 provided by the department of health and senior services. For purposes of this section, the term  
115 "case management" shall mean those activities of local public health personnel to identify  
116 prospective Medicaid-eligible high-risk mothers and enroll them in the state's Medicaid program,  
117 refer them to local physicians or local health departments who provide prenatal care under  
118 physician protocol and who participate in the Medicaid program for prenatal care and to ensure  
119 that said high-risk mothers receive support from all private and public programs for which they  
120 are eligible and shall not include involvement in any Medicaid prepaid, case-managed programs;

121 (22) By January 1, 1988, the department of social services and the department of health  
122 and senior services shall study all significant aspects of presumptive eligibility for pregnant  
123 women and submit a joint report on the subject, including projected costs and the time needed  
124 for implementation, to the general assembly. The department of social services, at the direction  
125 of the general assembly, may implement presumptive eligibility by regulation promulgated  
126 pursuant to chapter 207, RSMo;

(23) All recipients who would be eligible for aid to families with dependent children benefits except for the requirements of paragraph (d) of subdivision (1) of section 208.150;

(24) (a) All persons who would be determined to be eligible for old age assistance benefits under the eligibility standards in effect December 31, 1973, as authorized by 42 U.S.C. Section 1396a(f), or less restrictive methodologies as contained in the Medicaid state plan as of January 1, 2005; except that, on or after July 1, 2005, less restrictive income methodologies, as authorized in 42 U.S.C. Section 1396a(r)(2), may be used to change the income limit if authorized by annual appropriation;

(b) All persons who would be determined to be eligible for aid to the blind benefits under the eligibility standards in effect December 31, 1973, as authorized by 42 U.S.C. Section 1396a(f), or less restrictive methodologies as contained in the Medicaid state plan as of January 1, 2005, except that less restrictive income methodologies, as authorized in 42 U.S.C. Section 1396a(r)(2), shall be used to raise the income limit to one hundred percent of the federal poverty level;

(c) All persons who would be determined to be eligible for permanent and total disability benefits under the eligibility standards in effect December 31, 1973, as authorized by 42 U.S.C. 1396a(f); or less restrictive methodologies as contained in the Medicaid state plan as of January 1, 2005; except that, on or after July 1, 2005, less restrictive income methodologies, as authorized in 42 U.S.C. Section 1396a(r)(2), may be used to change the income limit if authorized by annual appropriations. Eligibility standards for permanent and total disability benefits shall not be limited by age.

**Any income earned through certified extended employment at a sheltered workshop under chapter 178, RSMo, shall not be considered as income for purposes of determining eligibility under this subdivision;**

(25) Persons who have been diagnosed with breast or cervical cancer and who are eligible for coverage pursuant to 42 U.S.C. 1396a (a)(10)(A)(ii)(XVIII). Such persons shall be eligible during a period of presumptive eligibility in accordance with 42 U.S.C. 1396r-1.

2. Rules and regulations to implement this section shall be promulgated in accordance with section 431.064, RSMo, and chapter 536, RSMo. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date or to disapprove and annul a rule are

162 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed  
163 or adopted after August 28, 2002, shall be invalid and void.

164         3. After December 31, 1973, and before April 1, 1990, any family eligible for assistance  
165 pursuant to 42 U.S.C. 601 et seq., as amended, in at least three of the last six months  
166 immediately preceding the month in which such family became ineligible for such assistance  
167 because of increased income from employment shall, while a member of such family is  
168 employed, remain eligible for medical assistance for four calendar months following the month  
169 in which such family would otherwise be determined to be ineligible for such assistance because  
170 of income and resource limitation. After April 1, 1990, any family receiving aid pursuant to 42  
171 U.S.C. 601 et seq., as amended, in at least three of the six months immediately preceding the  
172 month in which such family becomes ineligible for such aid, because of hours of employment  
173 or income from employment of the caretaker relative, shall remain eligible for medical assistance  
174 for six calendar months following the month of such ineligibility as long as such family includes  
175 a child as provided in 42 U.S.C. 1396r-6. Each family which has received such medical  
176 assistance during the entire six-month period described in this section and which meets reporting  
177 requirements and income tests established by the division and continues to include a child as  
178 provided in 42 U.S.C. 1396r-6 shall receive medical assistance without fee for an additional six  
179 months. The division of medical services may provide by rule and as authorized by annual  
180 appropriation the scope of medical assistance coverage to be granted to such families.

181         4. When any individual has been determined to be eligible for medical assistance, such  
182 medical assistance will be made available to him or her for care and services furnished in or after  
183 the third month before the month in which he made application for such assistance if such  
184 individual was, or upon application would have been, eligible for such assistance at the time such  
185 care and services were furnished; provided, further, that such medical expenses remain unpaid.

186         5. The department of social services may apply to the federal Department of Health and  
187 Human Services for a Medicaid waiver amendment to the Section 1115 demonstration waiver  
188 or for any additional Medicaid waivers necessary not to exceed one million dollars in additional  
189 costs to the state. A request for such a waiver so submitted shall only become effective by  
190 executive order not sooner than ninety days after the final adjournment of the session of the  
191 general assembly to which it is submitted, unless it is disapproved within sixty days of its  
192 submission to a regular session by a senate or house resolution adopted by a majority vote of the  
193 respective elected members thereof.

194         6. Notwithstanding any other provision of law to the contrary, in any given fiscal year,  
195 any persons made eligible for medical assistance benefits under subdivisions (1) to (22) of  
196 subsection 1 of this section shall only be eligible if annual appropriations are made for such

197 eligibility. This subsection shall not apply to classes of individuals listed in 42 U.S.C. Section  
198 1396a(a)(10)(A)(i).

Section B. Because immediate action is necessary to provide assistance to the employed  
2 disabled, section A of this act is deemed necessary for the immediate preservation of the public  
3 health, welfare, peace, and safety, and is hereby declared to be an emergency act within the  
4 meaning of the constitution, and section A of this act shall be in full force and effect on July 1,  
5 2006, upon its passage and approval, whichever later occurs.

Section C. Section 208.146 and the amendments to section 208.151 of section A of this  
2 act shall expire three years after the effective date of this act.

✓