DHS response to DRW questions regarding MAPP
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**Date:** April 17, 2013, 11:02:53 AM EDT
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**Subject: [NCI] RE: Questions about MAPP**

Lisa,

Please see the answers to your questions in the attachment. We also wanted to provide you with some background information:

The purpose of MAPP is to provide a way for individuals with disabilities to work and increase their earnings without risking losing Medicaid funded health insurance. This is why there are proposed changes in the premium and eligibility calculation. These changes would allow for increased earnings that do not trigger very large increases in premium amounts. In addition, there are proposed changes to asset portability (pending federal approval), making it possible for individuals to keep their certain assets accumulated while in MAPP, including independence accounts or retirement accumulated while on MAPP even if they change to a different Medicaid program.

If individuals are interested in maintaining MAPP eligibility, and the proposed work requirements do go into effect, individuals can continue to do odd jobs (such as cleaning their family member's houses or cutting wood) as long as they get paid for doing so and they have documentation of paying or having withheld taxes, including Medicare/Social Security.

In addition, the earliest these changes would go into effect would be January 1, 2014 (may be delayed as DHS waits for federal approval). Once the changes go into effect there will be a six month grace period before the work requirement would go into effect. After that period, an individual can enroll in Health and Employment Counseling (HEC) for up to nine months with an additional three month grace period.

Please let me know if you have any additional questions,
Thanks,

Ellie

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Questions:

1. The administration believes that most people with disabilities who become ineligible for MAPP due to the proposed changes will be eligible for other Medicaid programs. Which Medicaid programs are they speaking of?

Answer: DHS assumes that MAPP participants meet functional eligibility criteria for MA, and many already meet the income standards for other MA programs. Those who do not yet meet income criteria for other MA programs can obtain other MA eligibility by spending down or, if they have long term care needs, through cost sharing. Examples of Medicaid programs for which individuals would be eligible include Medicaid Categorically Needy and Medicaid Medical Needy.

2. How many of the current MAPP recipients who are reporting no earned income have unearned income over 100% of the Federal Poverty level (FPL)? This is important because these people will not be financially eligible for BadgerCare.

Answer: In October 2012, there were 2,655 MAPP recipients who had $0 in earned income but total unearned income over 100% FPL for an individual.

3. How many of the current MAPP recipients who have no earned income but have unearned incomes above 100% are eligible for Medicare? This is important because these people will not be financially for BadgerCare and because they have access to Medicare, they will not be able to purchase insurance through the Federal Health Care Exchange. Medicare eligibles who lose MAPP eligibility and are over 150% FPL also lose their subsidies under Medicare Part D because they are no longer qualify for full benefit Medicaid (automatic extra help for part D) and they over income limit for a low-income subsidy.

Answer: Most SSDI eligible members probably already have Medicare eligibility, or will soon. Of the 2,655 MAPP recipients in October 2012 who had $0 in earned income but total unearned income over 100% FPL for an individual, 2,369 or 89% were also on Medicare. Of the 2,369 recipients on Medicare at over 100% FPL with no earned income, 2,225 or 94% were below 150% FPL. Those with gross income above 150% FPL may still be eligible for Medicare Part D Low Income Subsidies because that program applies some deductions before comparing to 150% FPL.

4. If informal, in-kind type work arrangements are no longer allowed, there will be a greater need for employment supports and assistance for people exploring employment options. Many more people will be interested in utilizing HEC plans. How does DHS intend to support consumers in the development of HEC plans?

Answer: The Health and Employment Counseling plan (HEC) is meant to be a more self-directed process. However, DHS is anticipating an increase in HEC usage with the new work requirements, and is working on a plan for this increase.

5. We believe that in-kind work is both important in the development of job skills and provides a valuable service to the community.
   a. Job skills. What research or studies support the conclusion that in-kind work cannot impart necessary skills to in regards to job training and job development? Could the administration consider a standard that allowed in-kind work if the individual could demonstrate that the work is providing training and experience with job skills?

Answer: In-kind work can be a way to develop job skills, but neither job development nor job training currently count toward the MAPP work requirement. These are activities that individuals can engage in while enrolled in HEC. Individuals will still be able to engage in in-kind work while enrolled in HEC, as a method to increase job skills as they were towards their employment goal. Once an individual starts to earn taxable income, they can continue to do in-kind work as well if they choose to do so. The change will be that the in-kind work will no longer be considered as part of MAPP eligibility.

   b. Value of work to the community. In-kind work can provide valuable services that benefit the community in similar ways as paid work. Has the department researched the value of in-kind work to the community? Could the department consider a standard under which the value of in-kind work is determined and allowed under certain circumstances?

Answer: DHS is proposing modifications to better meet the purpose of MAPP, which is to provide a way for individuals with disabilities to work and increase their earnings without risking losing Medicaid funded health insurance. As mentioned above, individuals may engage in in-kind work while enrolled in HEC, and may continue to do in-kind work in addition to paid employment once they start earning taxable income.

6. What amount of paid work would meet the new documentation and tax/withholding requirements in order to be acceptable to maintain MAPP eligibility? Is there an earnings level or other requirement to achieve documentation? Can you provide an example of what would be acceptable as someone tries to transition their current in-kind work arrangement into something that earns a wage that maintains MAPP eligibility?

Answer: Once the MAPP proposed changes are approved, DHS will begin operationalizing the rules. Working at least one hour a month will remain a requirement. Other requirements will be similar to the current requirements with the exception that taxable income will replace in-kind benefits.

Current Income Requirements from Medicaid Handbook 15.5.1:
"To determine the value of in-kind benefits, use the prevailing wage (but not less than the minimum wage) in the community for the type of work the person does to earn the benefits."

**Disability Rights Wisconsin Response to DHS answers to MAPP Questions**
4/22/13

DRW submitted a list of questions to DHS regarding the MAPP provisions in the budget. One questions specifically addressed Medicare eligibility of current MAPP recipients. The question and the DHS response are noted below, followed by DRW's analysis of additional implications for Medicare recipients

**DRW's Question #3 submitted to DHS**

3. How many of the current MAPP recipients who have no earned income but have unearned incomes above 100% are eligible for Medicare? This is important because these people will not be financially for BadgerCare and because they have access to Medicare, they will not be able to purchase insurance through the Federal Health Care Exchange. Medicare eligibles who lose MAPP eligibility and are over 150% FPL also lose their subsidies under Medicare Part D because they are no longer qualify for full benefit Medicaid (automatic extra help for part D) and they over income limit for a low-income subsidy.

**DHS response:**

Answer: Most SSDI eligible members probably already have Medicare eligibility, or will soon. Of the 2,655 MAPP recipients in October 2012 who had $0 in earned income but total unearned income over 100% FPL for an individual, 2,369 or 89% were also on Medicare. Of the 2,369 recipients on Medicare at over 100% FPL with no earned income, 2,225 or 94% were below 150% FPL. Those with gross income above 150% FPL may still be eligible for Medicare Part D Low Income Subsidies because that program applies some deductions before comparing to 150% FPL.

**Additional Analysis from DRW Regarding the Implications For Medicare Recipients:**

In response to DHSs answers to our original questions:
In regards to Medicare recipients.
The answer stated that Medicare recipients "with gross income above 150% FPL may still be eligible for Medicare Part D Low Income Subsidies because that program applies some deductions before comparing to 150% FPL." The only deductions are on the earned income side; the $65 and one half deduction and IRWEs (Impairment Related Work Expenses). The LIS application simply has a check yes or no box for IRWEs, it does not ask for the amount of IRWEs. SSA will determine the amount to be deducted from the earned income by checking with the IRS on the amount of IRWEs reported as deductions on the applicant's last tax filing. **The earned income deduction and the IRWE deduction will be of no help to recipients with SSDI income over 150% FPL.**

There are many expenses related to Medicare, such as annual deductibles and co-insurance and Buy In programs (QMB, SLMB and SLMB+) can pay for these costs for recipients under 135% FPL. But Part D costs can also become quite high. Medicaid eligibility, such as MAPP, provides automatic eligibility for the Part D Low Income Subsidy (LIS). With MAPP eligibility possible up to 250% FPL, many recipients who would have been only eligible for partial subsidies or not eligible at all, can gain access to LIS.

Breakdown of Medicare benefits (b) and costs (c) by income level

Under 100% FPL =

b= QMB eligibility: Medicare Part B premiums paid
b= QMB eligibility: Medicare A and B deductibles and co-insurance paid
b= Full Part D subsidy, includes premiums and deductible
c= Co-pays for drugs: $1.15 generic, $3.50 brand

Between 100 – 120% FPL =

b= SLMB eligibility: Medicare Part B premiums paid
c= Medicare A and B deductibles and co-insurance are recipients responsibility
Part A: $1184 per spell of illness, Part B: $147 annual deductible and 20% co-insurance
b= Full Part D subsidy includes premiums and deductible
c= Co-pays for drugs: $2.65 generic, $6.60 brand

Between 120 – 135% FPL =

b= SLMB+ eligibility: Medicare Part B premiums paid
c= Medicare A and B deductibles and co-insurance are recipients responsibility
Part A: $1184 per spell of illness, Part B: $147 annual deductible and 20% co-insurance
b= Full Part D subsidy includes premiums and deductible
c= Co-pays for drugs: $2.65 generic, $6.60 brand

Between 135 – 150% FPL =

c= Pay own Medicare Part B premiums
c= Medicare A and B deductibles and co-insurance are recipients responsibility
Part A: $1184 per spell of illness, Part B: $147 annual deductible and 20% co-insurance
C= Partial Part D subsidy; recipients responsibility:
Pay only $66 of Part D annual deductible
Pay up to benchmark of $38.25 in monthly premiums
Pay 15% co-insurance on prescriptions

Over 150% FPL =

c= Pay own Medicare Premiums
c= Medicare A and B deductibles and co-insurance are recipients responsibility
Part A: $1184 per spell of illness, Part B: $147 annual deductible and 20% co-insurance
c= No Part D subsidy, recipients responsibility includes:
Pay entire monthly premiums
Pay entire annual deductible, up to $325
Pay 25% of cost of prescription until coverage gap
Pay 47.5% of brand and 79% of generic prescriptions costs during coverage gap