**Reducing earnings to remain on Medicaid: MAPP as a work disincentive**

JC is on SSDI and works as a crossing guard. She applied for Medicaid through MAPP. She worked 11 hours a week at $10.25 per hour. Her monthly gross income is $485. Her SSDI is $1065. Her combined gross income of $1550 is over 150% FPL, resulting in a premium. With the current MAPP premium calculation, her premium comes to $250 a month.

Unearned income: $1065

Standard Deduction - 801

 $ 264 portion of unearned income paid as premium

Earned income $ 485

3% of earned income x 3%

 $14.55 portion of earned income paid as premium

 Add these portions $264.00

 + 14.55

 $278.55

Round down to nearest $25 $275 monthly premium

As this is over half her gross earnings, she did not see the point of working. She was considering quitting the job. We explained that if her combined income was less than 150% FPL, she would be eligible for MAPP without a premium. She reduced her hours to only 8 a week and her earned income became $353. Even though this was $132 less than she was making, but she now had no premiums to pay, so she kept more of her earnings.

With the proposed changes to the premium calculation, JC could have stayed at 11 hours a week and her MAPP premium would only be $50 per month.

Unearned income: $1065

Earned income +485

Total $1550

3% of total x 3%

 $46.50

Minimum premium of $50 $50 monthly premium

She would be keeping much more of her earned income, even though she is paying a premium. With this new premium structure, she may even be able to increase her work hours as her health allows and know her Medicaid premiums will remain reasonable.