

# SENATE BILL No. 961

May 28, 2014, Introduced by Senator SCHUITMAKER and referred to the Committee on Appropriations.

A bill to amend 1939 PA 280, entitled  
"The social welfare act,"  
by amending section 106a (MCL 400.106a), as amended by 2012 PA 356.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 106a. (1) This section shall be known and may be cited as  
2 the "Michigan freedom to work for individuals with disabilities  
3 law".

4           (2) The department of community health shall establish a  
5 program to provide medical assistance to individuals who have  
6 earned income and who meet all of the following initial eligibility  
7 criteria:

8           (a) The individual has been found to be disabled under the  
9 federal supplemental security income program or the social security  
10 disability income program, or would be found to be disabled except

1 for earnings in excess of the substantial gainful activity level as  
2 established by the United States social security administration.

3 (b) The individual is at least 16 years of age and younger  
4 than 65 years of age.

5 (c) The individual has a countable income level of not more  
6 than 250% of the current federal poverty guidelines for a family of  
7 1.

8 (d) The individual's assets meet the medicare part D extra  
9 help low income subsidy (LIS) and medicare savings program (MSP)  
10 asset limit, as adjusted annually.

11 (e) The individual is employed on a regular and continuing  
12 basis.

13 (3) The program is limited to the medical assistance services  
14 made available to recipients under the medical assistance program  
15 administered under section 105.

16 (4) Without losing eligibility for medical assistance, an  
17 individual who qualifies for and is enrolled under this program is  
18 permitted to do all of the following:

19 (a) Accumulate personal savings and assets not to exceed  
20 \$75,000.00.

21 (b) Accumulate unlimited retirement and individual retirement  
22 accounts with income from employment while enrolled in the freedom  
23 to work for individuals with disabilities program. Assets described  
24 in this subdivision shall remain excluded from eligibility  
25 consideration for other medicaid programs for the individual even  
26 if he or she loses eligibility under this section.

27 (c) Have temporary breaks in employment that do not exceed 24

1 months if the temporary breaks are the result of an involuntary  
2 layoff or are determined to be medically necessary or for  
3 relocation necessary due to employment in this state.

4 (d) Work and have income that exceeds the amount permitted  
5 under section 106, but shall not have unearned income that exceeds  
6 250% of the federal poverty guidelines.

7 (5) The department of community health shall establish a  
8 premium that is based on the enrolled individual's earned and  
9 unearned income. An enrolled individual shall pay a sliding fee  
10 scale monthly premium based on an annual review of total gross  
11 income as follows:

12 (a) No premium for individuals with gross income less than  
13 138% of the federal poverty guidelines for a family of 1.

14 (b) ~~A-BEGINNING THE EFFECTIVE DATE OF THE 2014 AMENDATORY ACT~~  
15 ~~THAT AMENDED THIS SUBDIVISION, A PREMIUM OF UP TO premium of 7.5%~~  
16 per month of gross income for individuals who have total gross  
17 income between 138% of the federal poverty guidelines for a family  
18 of 1 and \$75,000.00 annual adjusted gross income. **THIS SUBDIVISION**  
19 **DOES NOT APPLY AFTER JANUARY 1, 2019.**

20 (c) A premium of 100% of the average freedom to work program  
21 participant cost for an enrolled individual with adjusted gross  
22 income over \$75,000.00 annually.

23 (d) The premium for an enrolled individual shall generally be  
24 assessed on an annual basis based on the annual return required to  
25 be filed under the internal revenue code of 1986 or other evidence  
26 of earned income and shall be payable on a monthly basis. The  
27 premium shall be adjusted during the year when a change in an

1 enrolled individual's rate of annual income changes.

2           (6) REVENUE RECEIVED FROM PREMIUMS COLLECTED UNDER THIS  
3 SECTION SHALL NOT EXCEED \$3,000,000.00 PER YEAR.

4           (7) ~~(6)~~—If the terms of this section are inconsistent with  
5 federal regulations governing federal financial participation in  
6 the medical assistance program, the department of community health  
7 may to the extent necessary waive any requirement set forth in  
8 subsections (1) to ~~(5)~~-(6).

9           (8) ~~(7)~~—As used in this section:

10           (a) "Adjusted gross income" means that term as defined in  
11 section 62 of the internal revenue code of 1986.

12           (b) "Countable income", "earned income", and "unearned income"  
13 mean those terms as used by the department in determining  
14 eligibility for the medical assistance program administered under  
15 this act.

16           (c) "Federal poverty guidelines" means the poverty guidelines  
17 published annually in the federal register by the United States  
18 department of health and human services under its authority to  
19 revise the poverty line under section 673(2) of subtitle B of title  
20 VI of the omnibus budget reconciliation act of 1981, 42 USC 9902.