

SENATE BILL No. 564

July 13, 2011, 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 added by 2003 PA 32.

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 ~~an unearned~~ **A COUNTABLE** income level of
6 not more than ~~100%~~ **250%** of the current federal poverty guidelines
7 **FOR A FAMILY OF 1.**

8 ~~The individual is a current medical assistance recipient~~
9 ~~under section 106 or meets income, asset, and eligibility~~
10 ~~requirements for the medical assistance program under section 106~~
11 **THE INDIVIDUAL'S ASSETS MEET THE MEDICARE PART D EXTRA HELP LOW**
12 **INCOME SUBSIDY (LIS) AND MEDICARE SAVINGS PROGRAM (MSP) ASSET**
13 **LIMIT, AS ADJUSTED ANNUALLY.**

14 (e) The individual is employed on a regular and continuing
15 basis.

16 (3) The program is limited to the medical assistance services
17 made available to recipients under the medical assistance program
18 administered under section 105. ~~and does not include personal~~
19 ~~assistance services in the workplace.~~

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

23 (a) Accumulate personal savings and assets not to exceed
24 \$75,000.00.

25 (b) Accumulate unlimited retirement and individual retirement
26 accounts **WITH INCOME FROM EMPLOYMENT WHILE ENROLLED IN THE FREEDOM**
27 **TO WORK FOR INDIVIDUALS WITH DISABILITIES PROGRAM. ASSETS DESCRIBED**

1 IN THIS SUBDIVISION SHALL REMAIN EXCLUDED FROM ELIGIBILITY
 2 CONSIDERATION FOR OTHER MEDICAID PROGRAMS FOR THE INDIVIDUAL EVEN
 3 IF HE OR SHE LOSES ELIGIBILITY UNDER THIS SECTION.

4 (c) Have temporary breaks in employment that do not exceed 24
 5 months if the temporary breaks are the result of an involuntary
 6 layoff or are determined to be medically necessary **OR FOR**
 7 **RELOCATION NECESSARY DUE TO EMPLOYMENT IN THIS STATE.**

8 (d) Work and have income that exceeds the amount permitted
 9 under section 106, but shall not have unearned income that exceeds
 10 ~~100%~~ **250%** of the federal poverty guidelines.

11 ~~—— (5) The department of community health shall establish a~~
 12 ~~premium that is based on earned income for individuals enrolled in~~
 13 ~~the program subject to all of the following provisions:~~

14 ~~—— (a) The premium shall be based on the enrolled individual's~~
 15 ~~annualized earned income above 250% of the current federal poverty~~
 16 ~~guidelines for a family of 1.~~

17 ~~—— (b) Individuals with an earned income of between 250% of the~~
 18 ~~federal poverty guidelines for a family of 1 and \$75,000.00 shall~~
 19 ~~pay a sliding fee scale premium starting at \$600.00 annually and~~
 20 ~~increasing to 100% of the average medical assistance recipient cost~~
 21 ~~as determined by the department of community health for individuals~~
 22 ~~with annual income of \$75,000.00 or more.~~

23 ~~—— (c) The premium sliding fee scale shall have no more than 5~~
 24 ~~tiers.~~

25 **(5) THE DEPARTMENT OF COMMUNITY HEALTH SHALL ESTABLISH A**
 26 **PREMIUM THAT IS BASED ON THE ENROLLED INDIVIDUAL'S EARNED AND**
 27 **UNEARNED INCOME. AN ENROLLED INDIVIDUAL SHALL PAY A SLIDING FEE**

1 SCALE MONTHLY PREMIUM BASED ON AN ANNUAL REVIEW OF TOTAL GROSS
2 INCOME AS FOLLOWS:

3 (A) NO PREMIUM FOR INDIVIDUALS WITH GROSS INCOME LESS THAN
4 138% OF THE FEDERAL POVERTY GUIDELINES FOR A FAMILY OF 1.

5 (B) A PREMIUM OF 7.5% PER MONTH OF GROSS INCOME FOR
6 INDIVIDUALS WHO HAVE TOTAL GROSS INCOME BETWEEN 138% OF THE FEDERAL
7 POVERTY GUIDELINES FOR A FAMILY OF 1 AND \$75,000.00 ANNUAL ADJUSTED
8 GROSS INCOME.

9 (C) A PREMIUM OF 100% OF THE AVERAGE FREEDOM TO WORK PROGRAM
10 PARTICIPANT COST FOR AN ENROLLED INDIVIDUAL WITH ADJUSTED GROSS
11 INCOME OVER \$75,000.00 ANNUALLY.

12 (d) The premium for an enrolled individual shall generally be
13 assessed on an annual basis based on the annual return required to
14 be filed under the internal revenue code of 1986 or other evidence
15 of earned income and shall be payable on a monthly basis. The
16 premium shall be adjusted during the year when a change in an
17 enrolled individual's rate of annual income ~~moves the individual to~~
18 ~~a different premium tier~~ **CHANGES**.

19 ~~—— (6) An enrolled individual has an affirmative duty to report~~
20 ~~earned income changes that would result in a different premium~~
21 ~~within 30 days to the department of community health.~~

22 ~~—— (7) The department of community health shall report to the~~
23 ~~governor and the legislature within 2 years of the effective date~~
24 ~~of the amendatory act that added this section regarding all of the~~
25 ~~following:~~

26 ~~—— (a) The effectiveness of the program in achieving its~~
27 ~~purposes.~~

1 ~~—— (b) The number of individuals enrolled in the program.~~

2 ~~—— (c) The costs and benefits of the program.~~

3 ~~—— (d) The opportunities and projected costs of expanding the~~
 4 ~~program to working individuals with disabilities who are not~~
 5 ~~currently eligible for the program.~~

6 ~~—— (e) Additional services that should be covered under the~~
 7 ~~program to assist working individuals with disabilities in~~
 8 ~~obtaining and maintaining employment.~~

9 (6) ~~(8)~~—If the terms of this section are inconsistent with
 10 federal regulations governing federal financial participation in
 11 the medical assistance program, the department of community health
 12 may to the extent necessary waive any requirement set forth in
 13 subsections (1) to (5).

14 ~~—— (9) The program established in this section shall be~~
 15 ~~implemented on or before January 1, 2004.~~

16 (7) ~~(10)~~—As used in this section:

17 (A) **"ADJUSTED GROSS INCOME" MEANS THAT TERM AS DEFINED IN**
 18 **SECTION 62 OF THE INTERNAL REVENUE CODE OF 1986.**

19 (B) ~~(a)~~ **"EARNED "COUNTABLE INCOME", "EARNED** income", and
 20 "unearned income" mean those terms as used by the ~~family~~
 21 ~~independence agency~~ **DEPARTMENT** in determining eligibility for the
 22 medical assistance program administered under this act.

23 (C) ~~(b)~~—"Federal poverty guidelines" means the poverty
 24 guidelines published annually in the federal register by the United
 25 States department of health and human services under its authority
 26 to revise the poverty line under section 673(2) of subtitle B of
 27 title VI of the omnibus budget reconciliation act of 1981, ~~Public~~

1 ~~Law 97-35, 42 U.S.C. USC~~ 9902.