

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 986
97TH GENERAL ASSEMBLY

Reported from the Committee on Veterans' Affairs and Health, May 14, 2013, with recommendation that the Senate Committee Substitute do pass.

2218S.05C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 208.053 and 208.146, RSMo, and to enact in lieu thereof three new sections relating to public assistance, with an emergency clause for a certain section.

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

Section A. Sections 208.053 and 208.146, RSMo, are repealed and three
2 new sections enacted in lieu thereof, to be known as sections 208.053, 208.146,
3 and 208.1050, to read as follows:

208.053. 1. The provisions of this section shall be known as the
2 "Low-Wage Trap Elimination Act". In order to more effectively transition persons
3 receiving state-funded child care subsidy benefits under this chapter, the
4 children's division, in conjunction with the department of revenue, shall, subject
5 to appropriations, by January 1, 2013, implement a pilot program in at least one
6 rural county and in at least one urban child care center that serves at least three
7 hundred families, to be called the "Hand-up Program", to allow willing recipients
8 who wish to participate in the program to continue to receive such child care
9 subsidy benefits while sharing in the cost of such benefits through the payment
10 of a premium, as follows:

11 (1) For purposes of this section, "full child care benefits" shall be the full
12 benefits awarded to a recipient based on the income eligibility amount established
13 by the division through the annual appropriations process as of August 28, 2012,
14 to qualify for the benefits and shall not include the transitional child care
15 benefits that are awarded to recipients whose income surpasses the eligibility

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

16 level for full benefits to continue. The hand-up program shall be voluntary and
17 shall be designed such that a participating recipient will not be faced with a
18 sudden loss of child care benefits should the recipient's income rise above the
19 maximum allowable monthly income for persons to receive full child care benefits
20 as of August 28, 2012. In such instance, the recipient shall be permitted to
21 continue to receive such benefits if the recipient pays a premium, to be paid via
22 a payroll deduction if possible, to be applied only to that portion of the recipient's
23 income above such maximum allowable monthly income for the receipt of full
24 child care benefits as follows:

25 (a) The premium shall be forty-four percent of the recipient's excess
26 adjusted gross income over the maximum allowable monthly income for the
27 applicable family size for the receipt of child care benefits;

28 (b) The premium shall be paid on a monthly basis by the participating
29 recipient, or may be paid on a different periodic basis if through a payroll
30 deduction consistent with the payroll period of the person's employer;

31 (c) The division shall develop a payroll deduction program in conjunction
32 with the department of revenue, and shall promulgate rules for the payment of
33 premiums, through such payroll deduction program or through an alternate
34 method to be determined by the division, owed under the hand-up program; and

35 (d) Participating recipients who fail to pay the premium owed shall be
36 removed permanently from the program after sixty days of nonpayment;

37 (2) Subject to the receipt of federal waivers if necessary, participating
38 recipients shall be eligible to receive child care service benefits at income levels
39 all the way up to the level at which a person's premium equals the value of the
40 child care service benefits received by the recipient;

41 (3) Only those recipients who currently receive full child care benefits as
42 of joining the program and who had been receiving full child care service benefits
43 [continuously since on or before August 28, 2012] **for a period of at least four**
44 **months prior to implementation by the division of this program**, shall
45 be eligible to participate in the program. Only those recipients who agree to the
46 terms of the hand-up program during a ninety-day sign-up period shall be allowed
47 to participate in the program, pursuant to rules to be promulgated by the
48 division; and

49 (4) A participating recipient shall be allowed to opt out of the program at
50 any time, but such person shall not be allowed to participate in the program a
51 second time.

52 2. The division shall track the number of participants in the hand-up
53 program, premiums and taxes paid by each participant in the program and the
54 aggregate of such premiums and taxes, as well as the aggregate of those taxes
55 paid on income exceeding the maximum allowable income for receiving full child
56 care benefits outside the hand-up program, and shall issue an annual report to
57 the general assembly by January 1, 2014, and annually on January first
58 thereafter, detailing the effectiveness of the pilot program in encouraging
59 recipients to increase their income levels above the income maximum applicable
60 to each recipient. The report shall also detail the costs of administration and the
61 increased amount of state income tax paid and premiums paid as a result of the
62 program, as well as an analysis of whether the pilot program could be expanded
63 to include other types of benefits including but not limited to food stamps,
64 temporary assistance for needy families, low-income heating assistance, women,
65 infants and children supplemental nutrition program, the state children's health
66 insurance program, and MO HealthNet benefits.

67 3. The division shall pursue all necessary waivers from the federal
68 government to implement the hand-up program with the goal of allowing
69 participating recipients to receive child care service benefits at income levels all
70 the way up to the level at which a person's premium equals the value of the child
71 care service benefits received by the recipient. If the division is unable to obtain
72 such waivers, the division shall implement the program to the degree possible
73 without such waivers.

74 4. (1) There is hereby created in the state treasury the "Hand-Up
75 Program Premium Fund" which shall consist of premiums collected under this
76 section. The state treasurer shall be custodian of the fund. In accordance with
77 sections 30.170 and 30.180, the state treasurer may approve disbursements. The
78 state treasurer shall invest moneys in the fund in the same manner as other
79 funds are invested. Any interest and moneys earned on such investments shall
80 be credited to the fund. Notwithstanding the provisions of section 33.080 to the
81 contrary, any moneys remaining in the fund at the end of the biennium shall not
82 revert to the credit of the general revenue fund.

83 (2) All premiums received under the program shall be deposited in the
84 fund, out of which the cost of administering the hand-up program shall be paid,
85 as well as the necessary payments to the federal government and to the state
86 general revenue fund. Child care benefits provided under the hand-up program
87 shall continue to be paid for as under the existing state child care assistance

88 program.

89 5. After the first year of the program, or sooner if feasible, the cost of
90 administering the program shall be paid out of the premiums received. Any
91 premiums collected exceeding the cost of administering the program shall, if
92 required by federal law, be shared with the federal government and the state
93 general revenue fund in the same proportion that the federal government shares
94 in the cost of funding the child care assistance program with the state.

95 6. Any rule or portion of a rule, as that term is defined in section 536.010,
96 that is created under the authority delegated under this section shall become
97 effective only if it complies with and is subject to all of the provisions of chapter
98 536 and, if applicable, section 536.028. This section and chapter 536 are
99 nonseverable and if any of the powers vested with the general assembly pursuant
100 to chapter 536 to review, to delay the effective date, or to disapprove and annul
101 a rule are subsequently held unconstitutional, then the grant of rulemaking
102 authority and any rule proposed or adopted after August 28, 2012, shall be
103 invalid and void.

104 7. Pursuant to section 23.253 of the Missouri sunset act:

105 (1) The provisions of the new program authorized under this section shall
106 sunset automatically three years after August 28, [2012] **2014**, unless
107 reauthorized by an act of the general assembly; and

108 (2) If such program is reauthorized, the program authorized under this
109 section shall sunset automatically six years after the effective date of the
110 reauthorization of this section; and

111 (3) This section shall terminate on September first of the calendar year
112 immediately following the calendar year in which the program authorized under
113 this section is sunset.

208.146. 1. The program established under this section shall be known
2 as the "Ticket to Work Health Assurance Program". Subject to appropriations
3 and in accordance with the federal Ticket to Work and Work Incentives
4 Improvement Act of 1999 (TWWIIA), Public Law 106-170, the medical assistance
5 provided for in section 208.151 may be paid for a person who is employed and
6 who:

7 (1) Except for earnings, meets the definition of disabled under the
8 Supplemental Security Income Program or meets the definition of an employed
9 individual with a medically improved disability under TWWIIA;

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

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

12 (4) Has net income, as defined in subsection 3 of this section, that does
13 not exceed the limit for permanent and totally disabled individuals to receive
14 nonspenddown MO HealthNet under subdivision (24) of subsection 1 of section
15 208.151; and

16 (5) Has a gross income of two hundred fifty percent or less of the federal
17 poverty level, excluding any earned income of the worker with a disability
18 between two hundred fifty and three hundred percent of the federal poverty
19 level. For purposes of this subdivision, "gross income" includes all income of the
20 person and the person's spouse that would be considered in determining MO
21 HealthNet eligibility for permanent and totally disabled individuals under
22 subdivision (24) of subsection 1 of section 208.151. Individuals with gross
23 incomes in excess of one hundred percent of the federal poverty level shall pay a
24 premium for participation in accordance with subsection 4 of this section.

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

30 3. (1) For purposes of determining eligibility under this section, the
31 available asset limit and the definition of available assets shall be the same as
32 those used to determine MO HealthNet eligibility for permanent and totally
33 disabled individuals under subdivision (24) of subsection 1 of section 208.151
34 except for:

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

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

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

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

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

49 (c) A twenty dollar standard deduction;

50 (d) Health insurance premiums;

51 (e) A seventy-five dollar a month standard deduction for the disabled
52 worker's dental and optical insurance when the total dental and optical insurance
53 premiums are less than seventy-five dollars;

54 (f) All Supplemental Security Income payments, and the first fifty dollars
55 of SSDI payments;

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

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

61 (1) For a person whose gross income is more than one hundred percent
62 but less than one hundred fifty percent of the federal poverty level, four percent
63 of income at one hundred percent of the federal poverty level;

64 (2) For a person whose gross income equals or exceeds one hundred fifty
65 percent but is less than two hundred percent of the federal poverty level, four
66 percent of income at one hundred fifty percent of the federal poverty level;

67 (3) For a person whose gross income equals or exceeds two hundred
68 percent but less than two hundred fifty percent of the federal poverty level, five
69 percent of income at two hundred percent of the federal poverty level;

70 (4) For a person whose gross income equals or exceeds two hundred fifty
71 percent up to and including three hundred percent of the federal poverty level,
72 six percent of income at two hundred fifty percent of the federal poverty level.

73 5. Recipients of services through this program shall report any change in
74 income or household size within ten days of the occurrence of such change. An
75 increase in premiums resulting from a reported change in income or household
76 size shall be effective with the next premium invoice that is mailed to a person
77 after due process requirements have been met. A decrease in premiums shall be
78 effective the first day of the month immediately following the month in which the
79 change is reported.

80 6. If an eligible person's employer offers employer-sponsored health
81 insurance and the department of social services determines that it is more cost
82 effective, such person shall participate in the employer-sponsored insurance. The

83 department shall pay such person's portion of the premiums, co-payments, and
84 any other costs associated with participation in the employer-sponsored health
85 insurance.

86 7. The provisions of this section shall expire [six years after] August 28,
87 [2007] 2019.

208.1050. 1. There is hereby created in the state treasury the
2 "Missouri Senior Services Protection Fund", which shall consist of
3 money collected under subsection 2 of this section. The state treasurer
4 shall be custodian of the fund. In accordance with sections 30.170 and
5 30.180, the state treasurer may approve disbursements. The fund shall
6 be a dedicated fund and, upon appropriation, money in the fund shall
7 be used solely for the administration of subsection 2 of this
8 section. Notwithstanding the provisions of section 33.080 to the
9 contrary, any moneys remaining in the fund at the end of the biennium
10 shall not revert to the credit of the general revenue fund. The state
11 treasurer shall invest moneys in the fund in the same manner as other
12 funds are invested. Any interest and moneys earned on such
13 investments shall be credited to the fund.

14 2. The state treasurer shall deposit from moneys that otherwise
15 would have been deposited into the general revenue fund an amount
16 equal to fifty-five million one hundred thousand dollars into the
17 Missouri senior services protection fund. At least one-quarter of such
18 amount shall be deposited on or before July 15, 2013, an additional one-
19 quarter by October 15, 2013, and an additional one-quarter by January
20 15, 2014. The remaining amount shall be deposited by March 15,
21 2014. Moneys in the fund shall be allocated for services for low-income
22 seniors and people with disabilities.

Section B. Because immediate action is necessary to protect low-income
2 seniors and disabled persons, the enactment of section 208.1050 of this act is
3 deemed necessary for the immediate preservation of the public health, welfare,
4 peace and safety, and is hereby declared to be an emergency act within the
5 meaning of the constitution, and the enactment of section 208.1050 of this act
6 shall be in full force and effect upon its passage and approval.

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