

SECOND REGULAR SESSION

HOUSE BILL NO. 1068

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES PORTWOOD (Sponsor), WRIGHT (137), LEMBKE, WETER, NANCE, NOLTE, NIEVES, BRUNS, BIVINS, DEEKEN, DUSENBERG, DEMPSEY, DIXON, MUSCHANY, MAY, MUNZLINGER, MEINERS, SCHAAF, SELF, HOBBS, LIPKE, PHILLIPS, YATES, HARRIS (110), FARES, SILVEY, YOUNG, MOORE, BROWN (30) AND DAY (Co-sponsors).

Pre-filed December 1, 2005 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

3430L.01I

AN ACT

To amend chapter 208, RSMo, by adding thereto one new section relating to continuation of medical assistance for employed disabled persons, with an emergency clause.

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

Section A. Chapter 208, RSMo, is amended by adding thereto one new section, to be known as section 208.146, to read as follows:

208.146. 1. In accordance with 42 U.S.C. Section 1396a(a)(10)(A)(ii)(XIII), the medical assistance provided for in section 208.151 may be paid for a person who is employed and who:

(1) Meets the definition of disabled under the supplemental security income program for the aged, blind, and disabled, 42 U.S.C. Section 1382c. For purposes of this section, the term "disabled beneficiary" means a person who meets the definition of disabled to qualify for disability benefits under Title II of the Social Security Act or would if not for earnings;

(2) Meets the asset limits in subsection 2 of this section;

(3) Has a gross income of eighteen thousand dollars or less per year and pays a premium for participation in accordance with subsection 5 of this section. For married couples, combined spousal and disabled beneficiary's gross income shall not exceed thirty-two thousand five hundred dollars per year; except that, the disabled beneficiary's income

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in bold-face type in the above bill is proposed language.

14 shall not exceed eighteen thousand dollars per year. To be considered earned income,
15 Medicare, Social Security, and applicable state and federal income taxes must be withheld.
16 Self-employed persons shall provide proof of payment of Medicare and Social Security
17 taxes for income to be considered earned. To be eligible, a person shall document any
18 unearned income and all income tax withholdings;

19 (4) Submits to the state a one-time sixty-five dollar application fee.

20 2. For purposes of determining eligibility under this section, a person's assets shall
21 not exceed one thousand dollars per individual or two thousand dollars per couple, but
22 shall not include:

23 (1) Any assets excluded under section 208.010;

24 (2) Any retirement accounts, including individual accounts, 401(k) plans, 403(b)
25 plans, Keogh plans and pension plans;

26 (3) Medical expense accounts set up through the person's employer with a value not
27 to exceed five thousand dollars per year;

28 (4) Independent living development accounts with a value not to exceed ten
29 thousand dollars per year;

30 (5) PASS plans for achieving self support.

31 3. A person who is otherwise eligible for medical assistance under this section shall
32 not lose his or her eligibility solely if such person maintains an independent living
33 development account with a value not to exceed ten thousand dollars per year. For
34 purposes of this section, an "independent living development account" means an account
35 established and maintained to provide savings for transportation, housing, home
36 modification, and personal care services and assistive devices associated with such person's
37 disability. Independent living development accounts, medical expense accounts, and
38 retirement accounts under subsection 2 of this section shall be limited to deposits of earned
39 income and earnings on such deposits made by the eligible individual while participating
40 in the program and shall not be considered an asset for purposes of determining and
41 maintaining eligibility under section 208.151 until such person reaches the age of sixty-five.

42 4. If an eligible individual's employer offers employer-sponsored health insurance
43 and the department of social services determines that it is more cost effective, the
44 individual shall participate in the employer-sponsored insurance. The department shall
45 pay such individual's portion of the premiums, if any, associated with participation in the
46 employer-sponsored health insurance.

47 5. Any person whose income exceeds the limit for permanent and total disability
48 benefits in paragraph (c) of subdivision (24) of subsection 1 of section 208.151 shall pay a
49 premium equal to the amount of such person's spend down amount under paragraph (c)

50 of subdivision (25) of subsection 1 of section 208.151. Contributions made to medical
51 savings and independent living development accounts up to the maximum permitted per
52 year under subsections 2 and 3 of this section shall not be included as income for purposes
53 of determining the premium under this subsection. Premiums calculated under
54 subdivision (3) of subsection 12 of this section shall be deducted from the disabled
55 beneficiary's income to calculate under this subsection.

56 6. Contributions made to medical savings and independent living development
57 accounts up to a maximum of one thousand two hundred fifty dollars per month shall not
58 be included as income for the purposes of determining if income is below the limits set in
59 subdivision (3) of subsection 1 of this section.

60 7. (1) All enrollees shall pay a premium to be eligible for medical assistance under
61 this section. The total monthly premium an enrollee shall pay shall be the premium
62 calculated in subsection 5 of this section plus the premium calculated in subdivision (3) of
63 subsection 12 of this section.

64 (2) Any required premium shall be determined at application and redetermined at
65 the enrollee's six-month income review or when a change in income or household size is
66 reported. Enrollees shall report any change in income or household size within ten days
67 of the occurrence of such change. An increase in premiums resulting from a reported
68 change in income shall be effective with the next premium invoice that is mailed to a person
69 after due process requirements have been met. A decrease in premiums shall be effective
70 the first day of the month immediately following the month in which the change is
71 reported.

72 8. (1) The family support division shall conduct an annual income and eligibility
73 verification review of each recipient of medical assistance under this section. Such review
74 shall be completed not later than twelve months after the recipient's last eligibility
75 determination. Such review shall be completed each year in the month of February.

76 (2) The annual eligibility review requirement may be satisfied by the completion
77 of a periodic food stamp redetermination for the household.

78 (3) The family support division shall annually send a reverification eligibility form
79 letter to the recipient requiring the recipient to respond within ten days of receiving the
80 letter and to provide income verification documentation described in subdivision (4) of this
81 subsection. If the division does not receive the recipient's response and documentation
82 within the ten-day period, the division shall send a letter notifying the recipient that he or
83 she has ten days to file an appeal or the case will be closed.

84 **(4) The family support division shall require recipients to provide documentation**
85 **for income verification for purposes of eligibility review described in subdivision (1) of this**
86 **subsection. Such documentation may include, but shall not be limited to:**

87 **(a) Current wage stubs;**

88 **(b) A current W-2 form;**

89 **(c) Statements from the recipient's employer;**

90 **(d) A wage match with the division of employment security; and**

91 **(e) Bank statements.**

92 **9. Any eligible individual under this section who is a Medicaid dual eligible shall**
93 **be ineligible for continued prescription drugs or medication assistance under this section.**
94 **For purposes of this subsection, "Medicaid dual eligible" means a person who is eligible**
95 **for Medicare and Medicaid as defined by the Medicare Prescription Drug, Improvement,**
96 **and Modernization Act of 2003.**

97 **10. The department of social services shall submit the appropriate documentation**
98 **to the federal government for approval, which allows the resources listed in subsection 2**
99 **of this section and subsection 3 of this section to be exempt for purposes of determining**
100 **eligibility pursuant to this section.**

101 **11. The department of social services shall apply for any and all grants that may**
102 **be available to offset the costs associated with the implementation of this section.**

103 **12. (1) The department of social services shall collect premiums pursuant to this**
104 **chapter. To the best of their ability, the department shall collect premiums through the**
105 **monthly electronic funds transfer or employer deduction.**

106 **(2) (a) Nonpayment of the premium shall result in denial or termination of medical**
107 **assistance unless the person demonstrates good cause for such nonpayment.**

108 **(b) Any individual who fails to pay the required premium for any given month**
109 **without good cause shall not be eligible for participation for the remainder of the**
110 **participation year.**

111 **(c) No person disenrolled for nonpayment of premium shall be reenrolled unless**
112 **such person pays any past due premiums as well as current premiums prior to being**
113 **reenrolled. Nonpayment shall include payment with a returned, refused, or dishonored**
114 **instrument.**

115 **(3) Monthly premiums shall be based on the individual's earned income at the time**
116 **the premium invoice is mailed. The premiums shall be:**

117 **(a) For incomes between one dollar and three hundred ninety-nine dollars, one**
118 **hundred dollars;**

119 (b) For incomes between four hundred dollars and eight hundred ninety-nine
120 dollars, two hundred dollars;

121 (c) For incomes between nine hundred dollars and one thousand one hundred
122 ninety-nine dollars, three hundred dollars; and

123 (d) For earned incomes of one thousand two hundred dollars or more, four
124 hundred dollars.

125 13. Recipients of services through this chapter who pay a premium shall do so by
126 electronic funds transfer or employer deduction unless good cause is shown to pay
127 otherwise.

128 14. Any person who applies for or receives medical assistance under this section
129 who knowingly provides false documentation required for verification or reverification of
130 eligibility shall be subject to prosecution for Medicaid fraud and shall be permanently
131 barred from participation in any state-funded medical assistance program.

132 15. After four consecutive months of enrollment, a person enrolled in medical
133 assistance under this section who:

134 (1) Is temporarily unable to work and without receipt of earned income due to a
135 medical condition, as verified by a physician, may retain eligibility for up to three calendar
136 months; or

137 (2) Loses employment for reasons not attributable to the enrollee may retain
138 eligibility for up to three consecutive months after the month of job loss. To receive a
139 three-month extension, an enrollee shall verify the medical condition or provide
140 notification of job loss. All other eligibility requirements shall be met and the enrollee shall
141 pay all calculated premium costs for continued eligibility.

Section B. Because immediate action is necessary to provide assistance to the employed
2 disabled, section A of this act is deemed necessary for the immediate preservation of the public
3 health, welfare, peace, and safety, and is hereby declared to be an emergency act within the
4 meaning of the constitution, and section A of this act shall be in full force and effect on July 1,
5 2006, upon its passage and approval, whichever later occurs.

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