

SENATE BILL No. 447

April 21, 2009, Introduced by Senators GLEASON, KUIPERS, BIRKHOLZ, JANSEN and CHERRY and referred to the Committee on Families and Human Services.

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 eligibility
7 criteria:

8 (a) The individual has been found to be disabled under the

1 federal supplemental security income program or the social security
2 disability income program, or would be found to be disabled except
3 for earnings in excess of the substantial gainful activity level as
4 established by the United States social security administration.

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

7 (c) The individual has an unearned income level of not more
8 than 100% of the current federal poverty guidelines **AFTER**
9 **DISREGARDING ALL SOCIAL SECURITY DISABILITY BENEFITS, VETERAN'S**
10 **DISABILITY BENEFITS, RAILROAD RETIREMENT DISABILITY BENEFITS,**
11 **UNEMPLOYMENT COMPENSATION, AND ANY OTHER UNEARNED INCOME ALREADY**
12 **DISREGARDED BY MEDICAID.**

13 ~~(d) The individual is a current medical assistance recipient~~
14 ~~under section 106 or meets income, asset, and eligibility~~
15 ~~requirements for the medical assistance program under section 106~~
16 **THE INDIVIDUAL'S TOTAL ALLOWABLE ASSETS DO NOT EXCEED \$2,000.00.**

17 ~~(e) The individual is employed on a regular and continuing~~
18 ~~basis.~~ **THE INDIVIDUAL PROVIDES CURRENT DOCUMENTATION OF FEDERAL**
19 **INSURANCE CONTRIBUTIONS ACT (FICA) TAX PAYMENTS, A COPY OF AN**
20 **EMPLOYER-ISSUED W-2 FORM, DOCUMENTATION OF SELF-EMPLOYMENT**
21 **CONTRIBUTIONS ACT (SECA) TAX PAYMENTS, INTERNAL REVENUE SERVICE**
22 **FORM 1099, OR A WRITTEN BUSINESS PLAN APPROVED AND SUPPORTED BY A**
23 **THIRD-PARTY INVESTOR OR FUNDING SOURCE, SUCH AS A BANK, A CREDIT**
24 **UNION, THE UNITED STATES SMALL BUSINESS ADMINISTRATION, THE**
25 **MICHIGAN COMMISSION FOR THE BLIND OR THE MICHIGAN REHABILITATION**
26 **SERVICES. A REEVALUATION OF WORK STATUS SHALL BE CONDUCTED 1 TIME**
27 **EVERY 12 MONTHS.**

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

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

8 (a) Accumulate personal savings and assets not to exceed
9 \$75,000.00.

10 (b) Accumulate unlimited retirement and individual retirement
11 accounts. **ASSETS DESCRIBED IN THIS SUBPARAGRAPH SHALL REMAIN**
12 **EXCLUDED FROM ELIGIBILITY CONSIDERATION FOR OTHER MEDICAID PROGRAMS**
13 **FOR THE LIFE OF THE INDIVIDUAL EVEN IF HE OR SHE LOSES ELIGIBILITY**
14 **UNDER THIS SECTION.**

15 (c) Have temporary breaks in employment that do not exceed 24
16 months if the temporary breaks are the result of an involuntary
17 layoff or are determined to be medically necessary.

18 (d) Work and have income that exceeds the amount permitted
19 under section 106, but shall not have unearned income that exceeds
20 100% of the federal poverty guidelines **AFTER DISREGARDING ALL**
21 **SOCIAL SECURITY DISABILITY BENEFITS, VETERAN'S DISABILITY BENEFITS,**
22 **RAILROAD RETIREMENT DISABILITY BENEFITS, UNEMPLOYMENT COMPENSATION,**
23 **AND ANY OTHER UNEARNED INCOME ALREADY DISREGARDED BY MEDICAID.**

24 (5) The department of community health shall establish a
25 premium that is based on earned income for individuals enrolled in
26 the program subject to all of the following provisions:

27 (a) The premium shall be based on the enrolled individual's

1 annualized earned income above 250% of the current federal poverty
2 guidelines for a family of 1.

3 (b) Individuals with an earned income of between 250% of the
4 federal poverty guidelines for a family of 1 and \$75,000.00 shall
5 pay a sliding fee scale premium starting at \$600.00 annually and
6 increasing to 100% of the average medical assistance recipient cost
7 as determined by the department of community health for individuals
8 with annual income of \$75,000.00 or more.

9 (c) The premium sliding fee scale shall have no more than 5
10 tiers.

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

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

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

25 (a) The effectiveness of the program in achieving its
26 purposes.

27 (b) The number of individuals enrolled in the program.

1 (c) The costs and benefits of the program.

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

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

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

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

15 (10) As used in this section:

16 (a) "Earned income" and "unearned income" mean those terms as
17 used by the ~~family independence agency~~ **DEPARTMENT** in determining
18 eligibility for the medical assistance program administered under
19 this act.

20 (b) "Federal poverty guidelines" means the poverty guidelines
21 published annually in the federal register by the United States
22 department of health and human services under its authority to
23 revise the poverty line under section 673(2) of subtitle B of title
24 VI of the omnibus budget reconciliation act of 1981, Public Law 97-
25 35, 42 ~~U.S.C.~~ **USC** 9902.

26 Enacting section 1. This amendatory act does not take effect
27 unless Senate Bill No. 446

1 of the 95th Legislature is enacted into law.