

# Fiscal Analysis

## MEDICAID BUY-IN PROGRAM



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**Bill/Sponsor**                      **SENATE BILL 22 SUBSTITUTE H-1** Sen. Shirley Johnson

**House Committee**                Health Policy

### **Analysis**

#### **Summary**

SB 22 would amend the Social Welfare Act to establish a Medicaid Buy-In program for working disabled adults who otherwise would not qualify for Medicaid coverage because their income and/or assets exceed the program's financial eligibility limits.

The "Michigan Freedom to Work for Individuals with Disabilities Law" would limit eligibility to disabled persons, as determined under the federal SSI program or the SSDI program, aged 15 to 64 with unearned income up to 100% of the poverty level. In addition, the individuals must be employed on a regular basis, and meet the current Medicaid eligibility requirements.

For eligible persons with income below 250% of the poverty level, there would be no premium charged. A sliding scale premium starting at \$600 per year would apply to those with income between 250% of the poverty level and \$75,000 per year. The premium for persons with annual income of \$75,000 or more would be 100% of the average Medicaid cost per recipient.

#### **Fiscal Impact**

Medicaid program costs could potentially increase if the bill is enacted, but the amount of any cost increase is indeterminate. It is not known how many additional working disabled persons would participate in the program or how much would be paid in premiums to offset all or part of the added health care costs, but the potential increase is anticipated to be minimal.

The proposed legislation may also increase state revenues, primarily through higher income tax collections, by encouraging disabled persons to obtain employment or work more hours to increase their earnings. The amount of any revenue increase is also unknown, but it, too, is expected to be relatively minor.

### **Analyst(s)**

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FLOOR ANALYSIS - 6/11/03

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