

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 22

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
(MCL 400.1 to 400.119b) by adding section 106a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 106a. (1) This section shall be known and may be cited
2 as the "Michigan freedom to work for individuals with
3 disabilities 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
9 federal supplemental security income program or the social
10 security disability income program, or would be found to be
11 disabled except for earnings in excess of the substantial gainful

1 activity level as established by the United States social
2 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 income level of not more
6 than 100% of the current federal poverty guidelines.

7 (d) The individual is a current medical assistance recipient
8 under section 106 or meets income, asset, and eligibility
9 requirements for the medical assistance program under section
10 106.

11 (e) The individual is employed on a regular and continuing
12 basis.

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

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

20 (a) Accumulate personal savings and assets not to exceed
21 \$75,000.00.

22 (b) Accumulate unlimited retirement and individual retirement
23 accounts.

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

27 (d) Work and have income that exceeds the amount permitted

1 under section 106, but shall not have unearned income that
2 exceeds 100% of the federal poverty guidelines.

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

6 (a) The premium shall be based on the enrolled individual's
7 annualized earned income above 250% of the current federal
8 poverty guidelines for a family of 1.

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

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

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

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

27 (7) The department of community health shall report to the

1 governor and the legislature within 2 years of the effective date
2 of the amendatory act that added this section regarding all of
3 the following:

4 (a) The effectiveness of the program in achieving its
5 purposes.

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

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

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

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

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

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

21 (10) As used in this section:

22 (a) "Earned income" and "unearned income" mean those terms as
23 used by the family independence agency in determining eligibility
24 for the medical assistance program administered under this act.

25 (b) "Federal poverty guidelines" means the poverty guidelines
26 published annually in the federal register by the United States
27 department of health and human services under its authority to

1 revise the poverty line under section 673(2) of subtitle B of
2 title VI of the omnibus budget reconciliation act of 1981, Public
3 Law 97-35, 42 U.S.C. 9902.

4 Enacting section 1. This amendatory act does not take
5 effect unless House Bill No. 4270 of the 92nd Legislature is
6 enacted into law.