

Act No. 32
Public Acts of 2003
Approved by the Governor
July 2, 2003
Filed with the Secretary of State
July 2, 2003
EFFECTIVE DATE: July 2, 2003

**STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 2003**

Introduced by Senators Johnson, Van Woerkom, Allen, Barcia, Basham, Bishop, Brown, Cassis, Cherry, Clarke, Cropsey, George, Gilbert, Goschka, Hammerstrom, Hardiman, Jacobs, Jelinek, Olshove, Patterson, Prusi, Sanborn, Schauer, Sikkema, Stamas, Switalski and Toy

ENROLLED SENATE BILL No. 22

AN ACT to amend 1939 PA 280, entitled "An act to protect the welfare of the people of this state; to provide general assistance, hospitalization, infirmary and medical care to poor or unfortunate persons; to provide for compliance by this state with the social security act; to provide protection, welfare and services to aged persons, dependent children, the blind, and the permanently and totally disabled; to administer programs and services for the prevention and treatment of delinquency, dependency and neglect of children; to create a state department of social services; to prescribe the powers and duties of the department; to provide for the interstate and intercounty transfer of dependents; to create county and district departments of social services; to create within certain county departments, bureaus of social aid and certain divisions and offices thereunder; to prescribe the powers and duties of the departments, bureaus and officers; to provide for appeals in certain cases; to prescribe the powers and duties of the state department with respect to county and district departments; to prescribe certain duties of certain other state departments, officers, and agencies; to make an appropriation; to prescribe penalties for the violation of the provisions of this act; and to repeal certain parts of this act on specific dates," (MCL 400.1 to 400.119b) by adding section 106a.

The People of the State of Michigan enact:

Sec. 106a. (1) This section shall be known and may be cited as the "Michigan freedom to work for individuals with disabilities law".

(2) The department of community health shall establish a program to provide medical assistance to individuals who have earned income and who meet all of the following eligibility criteria:

(a) The individual has been found to be disabled under the federal supplemental security income program or the social security disability income program, or would be found to be disabled except for earnings in excess of the substantial gainful activity level as established by the United States social security administration.

- (b) The individual is at least 16 years of age and younger than 65 years of age.
 - (c) The individual has an unearned income level of not more than 100% of the current federal poverty guidelines.
 - (d) The individual is a current medical assistance recipient under section 106 or meets income, asset, and eligibility requirements for the medical assistance program under section 106.
 - (e) The individual is employed on a regular and continuing basis.
- (3) The program is limited to the medical assistance services made available to recipients under the medical assistance program administered under section 105 and does not include personal assistance services in the workplace.
- (4) Without losing eligibility for medical assistance, an individual who qualifies for and is enrolled under this program is permitted to do all of the following:
- (a) Accumulate personal savings and assets not to exceed \$75,000.00.
 - (b) Accumulate unlimited retirement and individual retirement accounts.
 - (c) Have temporary breaks in employment that do not exceed 24 months if the temporary breaks are the result of an involuntary layoff or are determined to be medically necessary.
 - (d) Work and have income that exceeds the amount permitted under section 106, but shall not have unearned income that exceeds 100% of the federal poverty guidelines.
- (5) The department of community health shall establish a premium that is based on earned income for individuals enrolled in the program subject to all of the following provisions:
- (a) The premium shall be based on the enrolled individual's annualized earned income above 250% of the current federal poverty guidelines for a family of 1.
 - (b) Individuals with an earned income of between 250% of the federal poverty guidelines for a family of 1 and \$75,000.00 shall pay a sliding fee scale premium starting at \$600.00 annually and increasing to 100% of the average medical assistance recipient cost as determined by the department of community health for individuals with annual income of \$75,000.00 or more.
 - (c) The premium sliding fee scale shall have no more than 5 tiers.
 - (d) The premium for an enrolled individual shall generally be assessed on an annual basis based on the annual return required to be filed under the internal revenue code of 1986 or other evidence of earned income and shall be payable on a monthly basis. The premium shall be adjusted during the year when a change in an enrolled individual's rate of annual income moves the individual to a different premium tier.
- (6) An enrolled individual has an affirmative duty to report earned income changes that would result in a different premium within 30 days to the department of community health.
- (7) The department of community health shall report to the governor and the legislature within 2 years of the effective date of the amendatory act that added this section regarding all of the following:
- (a) The effectiveness of the program in achieving its purposes.
 - (b) The number of individuals enrolled in the program.
 - (c) The costs and benefits of the program.
 - (d) The opportunities and projected costs of expanding the program to working individuals with disabilities who are not currently eligible for the program.
 - (e) Additional services that should be covered under the program to assist working individuals with disabilities in obtaining and maintaining employment.
- (8) If the terms of this section are inconsistent with federal regulations governing federal financial participation in the medical assistance program, the department of community health may to the extent necessary waive any requirement set forth in subsections (1) to (5).
- (9) The program established in this section shall be implemented on or before January 1, 2004.
- (10) As used in this section:
- (a) "Earned income" and "unearned income" mean those terms as used by the family independence agency in determining eligibility for the medical assistance program administered under this act.
 - (b) "Federal poverty guidelines" means the poverty guidelines published annually in the federal register by the United States department of health and human services under its authority to revise the poverty line under section 673(2) of subtitle B of title VI of the omnibus budget reconciliation act of 1981, Public Law 97-35, 42 U.S.C. 9902.

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

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Sam E. Randall

Clerk of the House of Representatives

Approved _____

Governor