

# HOUSE BILL No. 4708

March 26, 2009, Introduced by Reps. Schuitmaker and Slezak and referred to the Committee on Families and Children's 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  
9 federal supplemental security income program or the social security

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

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

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

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

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

27 (3) The program is limited to the medical assistance services

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

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

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

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

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

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

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

26 ~~—— (a) The premium shall be based on the enrolled individual's~~  
27 ~~annualized earned income above 250% of the current federal poverty~~

1 ~~guidelines for a family of 1.~~

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

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

10 (5) THE DEPARTMENT OF COMMUNITY HEALTH SHALL ESTABLISH A  
11 PREMIUM THAT IS BASED ON EARNED INCOME AND UNEARNED INCOME,  
12 INCLUDING SOCIAL SECURITY DISABILITY BENEFITS AND VETERAN'S  
13 DISABILITY BENEFITS, RAILROAD RETIREMENT DISABILITY BENEFITS,  
14 UNEMPLOYMENT COMPENSATION, AND ANY OTHER UNEARNED INCOME, FOR  
15 INDIVIDUALS ENROLLED IN THE PROGRAM. AN ENROLLED INDIVIDUAL SHALL  
16 PAY A SLIDING FEE SCALE PREMIUM BASED ON AN ANNUAL REVIEW OF GROSS  
17 INCOME AS FOLLOWS:

18 (A) THREE PERCENT PER MONTH OF GROSS INCOME BETWEEN 135% OF  
19 THE FEDERAL POVERTY GUIDELINES FOR A FAMILY OF 1 AND \$75,000.00  
20 ANNUAL ADJUSTED GROSS INCOME.

21 (B) ONE HUNDRED PERCENT OF THE AVERAGE FREEDOM TO WORK PROGRAM  
22 PARTICIPANT COST FOR AN ENROLLED INDIVIDUAL WITH ADJUSTED GROSS  
23 INCOME OVER \$75,000.00 ANNUALLY.

24 (C) ~~(d)~~—The premium for an enrolled individual shall generally  
25 be assessed on an annual basis based on the annual return required  
26 to be filed under the internal revenue code of 1986 or other  
27 evidence of earned income and shall be payable on a monthly basis.

1 The premium shall be adjusted during the year when a change in an  
2 enrolled individual's rate of annual income ~~moves the individual to~~  
3 ~~a different premium tier~~ **INCREASES OR DECREASES THE ENROLLED**  
4 **INDIVIDUAL'S GROSS MONTHLY INCOME BY \$500.00 OR MORE.**

5 (6) SUBSECTION (5) DOES NOT APPLY TO INDIVIDUALS CURRENTLY  
6 ENROLLED IN THE PROGRAM UNDER THIS SECTION UNTIL 12 MONTHS AFTER  
7 THE ENROLLED INDIVIDUAL'S NEXT ANNUAL REVIEW.

8 (7) ~~(6)~~ An enrolled individual has an affirmative duty to  
9 report earned income changes that would result in a different  
10 premium within 30 days to the department of community health.

11 ~~—— (7) The department of community health shall report to the~~  
12 ~~governor and the legislature within 2 years of the effective date~~  
13 ~~of the amendatory act that added this section regarding all of the~~  
14 ~~following:~~

15 ~~—— (a) The effectiveness of the program in achieving its~~  
16 ~~purposes.~~

17 ~~—— (b) The number of individuals enrolled in the program.~~

18 ~~—— (c) The costs and benefits of the program.~~

19 ~~—— (d) The opportunities and projected costs of expanding the~~  
20 ~~program to working individuals with disabilities who are not~~  
21 ~~currently eligible for the program.~~

22 ~~—— (e) Additional services that should be covered under the~~  
23 ~~program to assist working individuals with disabilities in~~  
24 ~~obtaining and maintaining employment.~~

25 (8) If the terms of this section are inconsistent with federal  
26 regulations governing federal financial participation in the  
27 medical assistance program, the department of community health may

1 to the extent necessary waive any requirement set forth in  
2 subsections (1) to (5).

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

5 (9) THE DEPARTMENT OF COMMUNITY HEALTH SHALL PAY THE PREMIUM  
6 FOR MEDICARE PART B FOR ANY INDIVIDUAL ENROLLED UNDER THIS SECTION.

7 (10) As used in this section:

8 (A) "ADJUSTED GROSS INCOME" MEANS THAT TERM AS DEFINED IN  
9 SECTION 62 OF THE INTERNAL REVENUE CODE OF 1986.

10 (B) ~~(a)~~ "Earned income" and "unearned income" mean those terms  
11 as used by the ~~family independence agency~~ DEPARTMENT in determining  
12 eligibility for the medical assistance program administered under  
13 this act.

14 (C) ~~(b)~~ "Federal poverty guidelines" means the poverty  
15 guidelines published annually in the federal register by the United  
16 States department of health and human services under its authority  
17 to revise the poverty line under section 673(2) of subtitle B of  
18 title VI of the omnibus budget reconciliation act of 1981, Public  
19 Law 97-35, 42 U.S.C.—USC 9902.

20 Enacting section 1. This amendatory act does not take effect  
21 unless Senate Bill No. \_\_\_\_ or House Bill No. 4707 (request no.  
22 00999'09) of the 95th Legislature is enacted into law.