Michigan
Freedom to Work
Public Act 0518 of 2014
(Implementation likely in Fall 2015)

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Key Terms to Look For

• **Countable Income**
  – utilizes Social Security’s SSI Medicaid income formula
    • $20 General Income Exclusion
    • Earnings divided by 2
• **Modified Adjusted Gross Income (MAGI) (per CMS 2/6/15)**
  – TOTAL of UNEARNED & EARNED
    • Such as SSDI, Veterans, etc. and earnings
• **Remember...Substantial Gainful Activity**
  – Social Security’s SGA rules still apply
• **NOTE: Implementation likely fall 2015**
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- **Initial Eligibility** –
- (2)(a) The individual has been found to be disabled under the federal supplemental security income (SSI) or the social security disability income program (SSDI) or would be found to be disabled except for earnings in excess of the substantial gainful activity (SGA) level as established by the U.S. Social Security Administration (SSA).
- (b) the individual is at least 16 years of age and younger than 65 years of age.
- (c) The individual has **A COUNTABLE** income (EARNED & UNEARNED) level of not more than 250% of the current federal poverty guidelines (FPL) **FOR A FAMILY OF 1**. (Equates to 250% times $981 or $2452 + $85 = $2537 in 2015)
- (d) **THE INDIVIDUAL’S ASSETS MEET THE MEDICARE PART D EXTRA HELP LOW INCOME SUBSIDY (LIS) AND MEDICARE SAVINGS PROGRAM (MSP) ASSET LIMIT, AS ADJUSTED ANNUALLY.** ($8780 includes $1500 burial fund in 2015)
- (e) The individual is employed on a regular and continuing basis.
- **NOTE:** Cannot be SSI Medicaid eligible and FTW eligible at the same time
• Services –
  – (3) The program is limited to the medical assistance services made available to recipients under the medical assistance program administered under section 105.

• Continued eligibility –
  – (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
• Continued eligibility –

• (b) Accumulate unlimited retirement and individual retirement accounts WITH INCOME FROM EMPLOYMENT WHILE ENROLLED IN THE FREEDOM TO WORK FOR INDIVIDUALS WITH DISABILITIES PROGRAM. ASSETS DESCRIBED IN THIS SUBDIVISION SHALL REMAIN EXCLUDED FROM ELIGIBILITY CONSIDERATION FOR OTHER MEDICAID PROGRAMS FOR THE INDIVIDUAL EVEN IF HE OR SHE LOSES ELIGIBILITY UNDER THIS SECTION.

• (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 OR FOR RELOCATION NECESSARY DUE TO EMPLOYMENT IN THIS STATE

• (d) Work and have income that exceeds the amount permitted under section 106, but shall not have UNEARNED income that exceeds 250% of the federal poverty guidelines. (FPL of $981 in 2015)
• Premiums –

• (5) THE DEPARTMENT OF COMMUNITY HEALTH SHALL ESTABLISH A PREMIUM THAT IS BASED ON THE ENROLLED INDIVIDUAL’S EARNED AND UNEARNED INCOME. AN ENROLLED INDIVIDUAL SHALL PAY A SLIDING FEE SCALE MONTHLY PREMIUM BASED ON AN ANNUAL REVIEW OF Modified Adjusted Gross INCOME (MAGI) - per CMS info of 2/6/15 - AS FOLLOWS:

• (A) NO PREMIUM FOR INDIVIDUALS WITH Modified Adjusted Gross INCOME (MAGI) - per CMS info of 2/6/15 - LESS THAN 138% OF THE FEDERAL POVERTY GUIDELINES FOR A FAMILY OF 1.
  – NOTE: 138% of the 2015 FPL of $981 equates to $1354/month.
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• Premiums -

• (B) Beginning the effective date of the 2014 amendatory act that amended this subdivision, **A PREMIUM OF up to 7.5% PER MONTH OF MAGI** – per CMS 02/06/15 - (earned and unearned) FOR INDIVIDUALS WHO HAVE TOTAL MAGI BETWEEN 138% OF THE FEDERAL POVERTY GUIDELINES FOR A FAMILY OF 1 AND $75,000.00 of MAGI. Equates to over $1354 in MAGI (earned and unearned) but less than the $75,000 MAGI.

—**NOTE:** The premium that will initially be used is 2.5% of MAGI per MI Medicaid Services.

— So...if a person’s MAGI income (EARNED & UNEARNED) total $1500.00, then the monthly premium would be $37.50

— If a person’s MAGI income (EARNED & UNEARNED total $2000, then the monthly premium would be $50.00

• These are my best/simplest examples of how this premium will apply.

• **Note:** Some FTW individuals will also need to pay their own Medicare Part B premium of $104.90 as it’s always been.
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- Premiums –

  (C) A PREMIUM OF 100% OF THE AVERAGE FREEDOM TO WORK PROGRAM PARTICIPANT COST FOR AN ENROLLED INDIVIDUAL WITH MAGI OVER $75,000.00 ANNUALLY.

  (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 changes.

  (6) Revenue received from premiums collected under this section shall not exceed $3,000,000.00 per year.
Questions, Speculation, Answers, and Actions?

• What about someone already on FTW?
  – Some of the current 8,000+ FTW eligible individuals will NOW have to pay a premium of the determined percent.

• Some FTW individuals will also need to pay their own Medicare Part B premium of $104.90 as it’s always been.
Questions, Speculation, Answers, and Actions?

• Why did I say “in reality” about earnings potential?
  – Recognize that Social Security’s Substantial Gainful Activity (SGA) rules still apply.
  – A person has the opportunity to make and keep much more but will also need to seek benefits counseling to understand the impact
    • Community Work Incentives Counselors (CWICs) noted at: http://mi.db101.org/glossary_item.aspx?item-id=2601

• Continuing Medicare coverage for up to 93 months if the person earns their way off SSDI check.

• A tremendous opportunity for persons serious about employment, moving to a self-sustaining life with employer insurance, retirement, and assets!
Thanks...

• Watch for implementation of PA 961 during the fall of 2015...

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