



BadgerCare Plus 2014 Policy Changes: An Overview

Autumn Arnold
Policy Analyst
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Goals for Today's Discussion

- Provide framework and background
- Describe at a high-level the BC+ policy changes
 - Income Limits
 - Modified Adjusted Gross Income (MAGI) Rules
 - Household Composition
 - Income
 - Deductions
 - Other Policy Changes



Background

- The Patient Protection and Affordable Care Act (PPACA) implements:
 - Marketplace/Federally Facilitated Marketplace (FFM)
 - Advance Premium Tax Credits
 - New “MAGI” rules to align eligibility between Medicaid and the Marketplace
- The Governor’s budget includes changes in income limits for some BadgerCare Plus groups



Key Policy Changes

- Income limit changes and coverage groups
 - Income limit changes for parents/caretakers, childless adults and children
 - No income limit changes for pregnant women, Family Planning Only or Medicaid for the Elderly, Blind or Disabled (EBD)
- MAGI budgeting rules
- Other policy changes



Parents and Caretakers

- Eligible at or below 100%FPL
 - No premiums
 - No insurance access and coverage test
- Over 100% FPL → Marketplace



Childless Adults

- Eligible at or below 100% FPL
 - Regular BC+ Members
 - No Processing fee
 - No Premiums
 - No mandatory HNA (Health Needs Assessment)
 - No Waitlist
- Over 100% FPL → Marketplace



Children

- Eligible at or below 300% FPL
 - Premiums over 200% FPL
- Over 300% FPL → Marketplace



What is “MAGI”?

- MAGI = Modified Adjusted Gross Income
- Refers to new household composition and budgeting rules
- Introduced by PPACA to align BC+ eligibility rules with tax rule-based policy in the Marketplace



Who is Subject to MAGI Rules?

- Our current BadgerCare Plus populations:
 - Children
 - Parents / caretakers
 - Pregnant women
 - Childless adults
 - Family Planning Only enrollees



Who is Not Subject to MAGI Rules?

- MAGI rules do ***not*** apply to:
 - Elderly, blind and disabled groups
 - EBD MA
 - LTC
 - SeniorCare
 - QMB, SLMB, SLMB+
 - Categorically eligible populations
 - Former Foster Care Youth



MAGI Rules

- Household Composition
- Income
- Deductions



Household Composition

- MAGI introduces tax relationships into BC+ household composition
- Assistance groups are person specific
 - We have to look at household composition one person at a time
- Similar households may have very different outcomes, depending on their specific tax filing situation



Household Composition Cont.

- Most rules are based on “what does the household expect to do?”
 - Who expects to file a tax return this year?
 - Whom do they expect to claim as a dependent?
- The ACCESS online application will be updated to gather necessary tax information
- The CARES eligibility system will determine eligibility based on new rules



Income

- Whose income is counted?
- What income types are counted?
- What deductions do we consider?



Whose Income Is Counted?

- All MAGI group members' income will be counted.

Exception to the above rule:

- If the person is the child or tax dependent of someone else in a given group, then their income only counts if they are required to file a tax return.
- If a child is being tested on their own, that child's income is always counted.
- CARES will determine if the person will be expected to file a tax return



What income types are counted?

- Countable income = taxable income
- Income no longer counted
 - Child support
 - Workers compensation
 - Veterans benefits



Changes in countable income

- New Income Types counted
 - Financial aid, if used for living expenses
 - All Tribal per capita payments
 - AmeriCorps income
 - Taxable retirement, pension and annuities
 - Interest & dividends
 - Lump sum income counted in month received



Self Employment Income Budgeting Changes

- Allowed Expenses:
 - Depreciation
 - Depletion
 - Other Business Expenses
- Most self-employment losses can offset other types of income



BC+ Deductions

- Child Support Payment disregards are no longer allowed



Tax Deductions:

- MAGI allows the tax deductions listed on page 1 of Tax Form 1040. Examples include:
 - Student loan interest paid
 - Higher education expenses
 - Self-employment tax
 - Certain retirement contributions
 - Alimony payments
- Itemized deductions are not allowed



Other Policy Changes

- All BC+ members will be enrolled in the BC+ Standard Plan
- Changes in extensions policies
- RRP policy
- Pregnancy verification is no longer required unless questionable
- 12-month certification periods
- Former Foster Care Youth age limit to 26



Implementation

- ACCESS and CARES Worker Web changes
 - Updated November 16, 2013
- Income Limits
 - Mass change November 23, 2013
 - Effective January 1, 2014
- MAGI budgeting rules
 - New Applicants → MAGI rules as of January 1, 2014
 - Existing Members → MAGI rules beginning April 1, 2014 or at next renewal, whichever is later



Training and Outreach

- DHS IM Training Unit is offering training to address the policy and system changes for IM Consortia
 - 3 Phases
 - Phase I: High Level Overview (May – June 2013)
 - Phase II: Details of BC+ 2014 Policy Changes (Aug – Sept 2013)
 - Phase III: CARES changes (Oct – Nov 2013)
- Partners and providers will receive outreach and training similar to Phase I and Phase II



Things to Keep in Mind

- Things are subject to change
 - Aggressive implementation timeline
 - Federal guidance not final
- We will do our best to keep partners and stakeholders informed



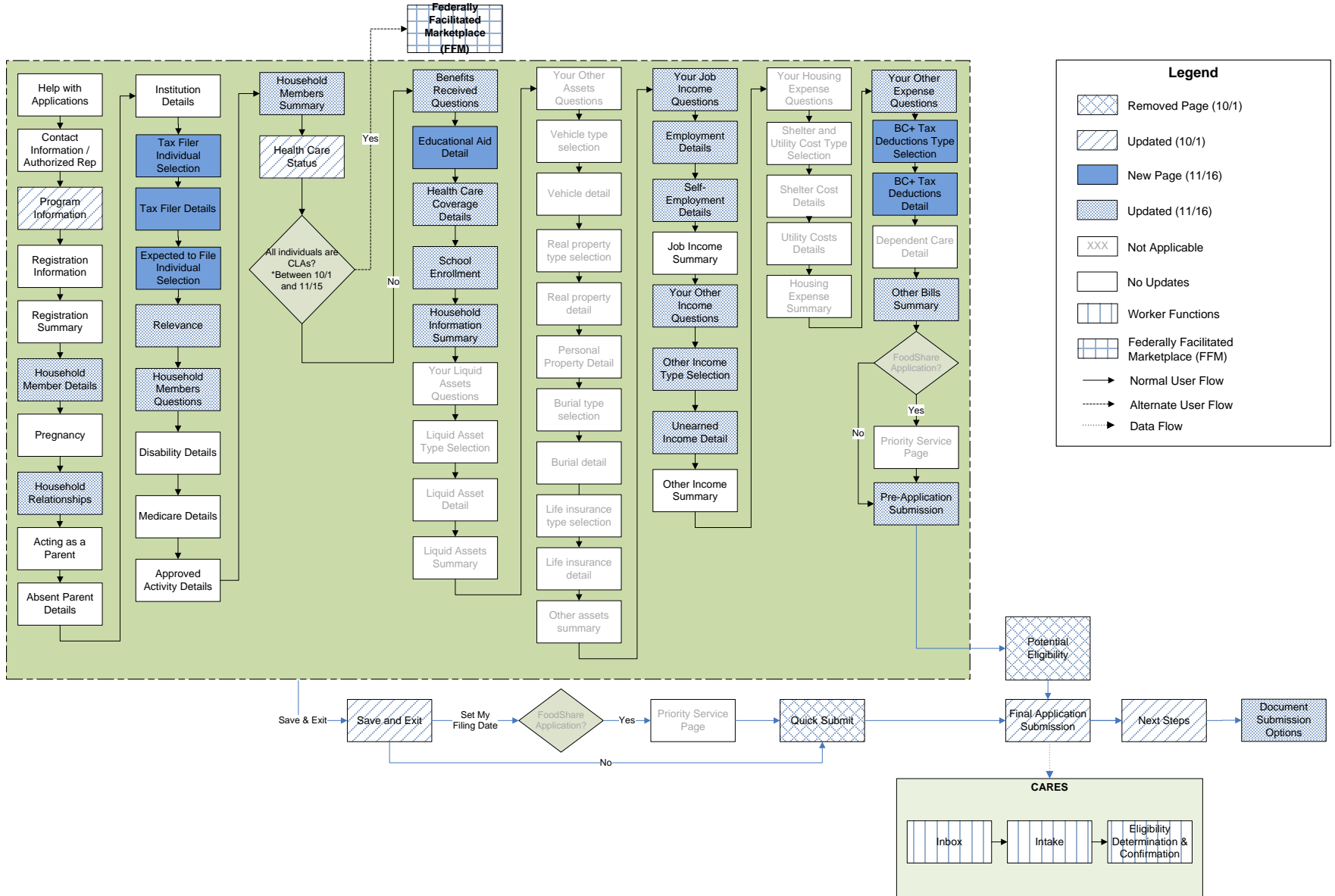
Questions?



Changes to ACCESS “Apply for Benefits” (AFB)

- AFB will maintain the same look and feel
- Pre- and post-application steps will remain the same
- Additions to the pages include:
 - Messaging around BC+ and the Marketplace
 - Questions about tax filing status and tax dependents
 - Income and deduction questions

Overview of page changes to AFB



Tax filing questions

-  **Start**
-  **People**
-  Other Benefits
-  Liquid Assets
-  Other Assets
-  Job Income
-  Other Income

Tax Filer Information

Tell us about the people in your home who plan to file a tax return.

Tax Filers

Check the box for anyone in your home who plans to file a tax return for the income he or she will have this year. To read more about what we mean, [click here](#).

No one



Betsey



Donald



Larry








Save & Exit

Next



Tax filing questions (con't)

-  **Start**
-  **People**
-  Other Benefits
-  Liquid Assets
-  Other Assets
-  Job Income
-  Other Income

Betsey's Taxes

You have told us that Betsey is planning to file a tax return for the income he or she will have this year. Tell us more about Betsey's plans for filing.

Tax Dependents

Is Betsey planning to claim any tax dependents on his or her tax return? Yes No

Check the box for anyone Betsey is planning to claim as a tax dependent. Check 'Someone else' if Betsey is planning to claim someone not listed here.



Barry



Larry

Someone else

“Required to file”

Expected Income

On this page, we are asking about the income of children and other tax dependents you have told us expect to get this year. We are asking this to find out who in your household may be required to file their own tax return.

Job Income

Check the box for anyone who expects to earn more than \$5,950 this year from a job.

No one



Self-Employment Income

Check the box for anyone who expects to earn more than \$400 this year from self-employment.

No one



Other Income

Check the box for anyone who expects to get more than \$950 in taxable income this year from any source other than a job, self-employment or Social Security.

No one





Changes to income types

- Income types no longer counted will be removed for BC+
- New income types will be added
- Pre-tax deductions will be added to the job income pages
- An Educational Aid & Expenses page will be added

Pre-tax deductions

Pre-Tax Deductions

If Betsey has anything taken out of his or her paycheck before taxes (this is called a pre-tax deduction), please tell us what type of pre-tax deduction it is, how much it is for, and how often it is taken out.

Be sure to choose "I Don't Know" only if Betsey has one of these types of pre-tax deductions but you're not sure about how much or how often.

Type of Deduction	Amount	How Often	I Don't Know
click here to choose ▾	\$ <input type="text"/>	< click here to choose > ▾	<input type="checkbox"/> I Don't Know

Add



New Educational Aid page

More About Betsey's Grants, Loans, Scholarships or Other Aid

You've told us that Betsey receives grants, loans, scholarships or other aid for education or training. Please answer the questions below to tell us more about these grants, loans, scholarships or other aid.

Grants, Loans, Scholarships or Other Aid Semester/Trimester

When did the semester/trimester begin? Ex:mm/yyyy

When did the semester/trimester end? Ex:mm/yyyy

Educational Aid

Please tell us about the type and amount of the educational aid Betsey receives for this semester/trimester. If you are unsure of the amount of the aid Betsey receives, please click "I Don't Know".

Type of Aid	Amount	I Don't Know
< click here to choose > ▾	\$ <input type="text"/>	<input type="checkbox"/> I Don't Know
<input type="button" value="Add"/>		

Educational Aid Expenses

Please tell us about the type and amount of the educational aid expenses Betsey has for this semester/trimester. If you are unsure of the amount of the expense Betsey has, please click "I Don't Know".

Type of Expense	Amount	I Don't Know
< click here to choose > ▾	\$ <input type="text"/>	<input type="checkbox"/> I Don't Know
<input type="button" value="Add"/>		

Tax deductions

*Tax Deductions

Please check the box for anyone who makes payments that can be deducted from their gross income. These payments include adjustments found on the first page of Form 1040. For example, alimony or higher education expenses.

No one



Betsey



Donald

Tax deductions, con't

Tax Deductions

Please check the box to tell us which types of tax deductions that each person has.

BRENDA and JOHN's Tax Deductions

Do BRENDA and JOHN have any of the following deductions?

- | | |
|--|--|
| <input type="checkbox"/> Alimony | <input type="checkbox"/> Higher Education Expenses |
| <input type="checkbox"/> Self-employment Tax Deduction | <input type="checkbox"/> Student Loan Interest |



BRENDA

Do BRENDA and JOHN have any of the following other deductions?

- | | |
|--|--|
| <input type="checkbox"/> Domestic Production Activities Deduction | <input type="checkbox"/> Allowable Write-in Expenses |
| <input type="checkbox"/> Health Savings Account Contributions - Self | <input type="checkbox"/> Fee-based Official Tax-deductible Expenses |
| <input type="checkbox"/> Individual Retirement Account (IRA) Contributions | <input type="checkbox"/> Loss from Sale of Business Property |
| <input type="checkbox"/> Military Members' Tax-Deductible Expenses | <input type="checkbox"/> Out-of-pocket Costs for a Job-related Move |
| <input type="checkbox"/> Health Savings Account Contributions - Family | <input type="checkbox"/> Penalties for Early Withdrawal of Funds |
| <input type="checkbox"/> Performing Artists Tax-deductible Expenses | <input type="checkbox"/> Self-employed SEP, Simple or Qualified Plan Contributions |
| <input type="checkbox"/> Teachers' Tax-deductible Expenses | |



JOHN

- I have none of these



Questions?