

WISCONSIN DEPARTMENT OF HEALTH SERVICES
Division of Health Care Access and Accountability
1 W. Wilson St.
Madison WI 53703

To: BadgerCare Plus Eligibility Handbook Users

From: Sabrina Mandel, Section Chief
Bureau of Enrollment Policy and Systems

Re: **BadgerCare Plus Handbook Release 16-01**

Release Date: 02/15/2016

Effective Date: 02/15/2016

EFFECTIVE DATE The following policy additions or changes are **effective 02/15/2016** unless otherwise noted. **Grey highlighted text denotes new text. Text with a strike through it in the old policy section denotes deleted text.**

POLICY UPDATES

3.6 Inmates

3.6.1 General BadgerCare Plus Application Process for Inmates of State Correctional Institutions

Use the following process for inmates of state correctional institutions:

1. Department of Corrections (DOC) staff submits an ACCESS application, which will be systematically routed to EM CAPO. Superintendents of state correctional facilities (Wardens) or their designee may sign the application for the inmate. Refer to MEH 6.9.4 State Correctional Institutions for the list of state correctional facilities at which the Warden may sign the application.
2. Process the inmate as a one-person household with a living arrangement of "01-Independent (Home/Apt/Trlr)" on the **Current dDemographics** page.
3. If the individual is eligible, close the case in CARES by changing the Healthcare Request page to "N". Suppress CARES generated notices for Medicaid and any program the Individual has not requested. Manually certify the Individual with the appropriate medical status code (see ~~below~~ **Process Help, Section 81.5 Med Stat Code Chart** for a list of medical status codes), from the hospital admission date through the date of discharge. If the individual has not yet been discharged, certify the individual from the date of admission through the estimated discharge date. Send a manual positive notice to DOC indicating the dates of eligibility. Also if the individual had not been discharged when you sent the initial positive notice, send a manual negative notice with the eligibility end date as soon as that is known. If you issue the notice after the discharge date, the effective date of the termination and the notice should be the date you mail out the notice. The reason for the termination should be shown as, "Individual is incarcerated". The legal citation should read, "DHS 103.03(6)." **For situations in which an inmate has multiple inpatient admissions, see Section 3.6.2 BadgerCare Plus Application Process for Inmates with Multiple Inpatient Admissions.**

Note: It is not necessary to provide a ten-day notice of termination for Medicaid when the reason for termination is the return of the individual to prison. The notice is considered timely if it is mailed no later than the termination effective date.

4. If the individual is ineligible, confirm the denial in CARES, and allow CARES-generated notices to be sent to the designated DOC staff person.

For a list of Med Stat Codes, see Process Help 81.5.

3.6.2 BadgerCare Plus Application Process for Inmates with Multiple Inpatient Admissions

This section is new.

3.6.1 Huber Law

3.6.13 Huber Law

4.3 Immigrants

4. A Cuban/Haitian entrant. An immigrant admitted under this Cuban/Haitian entrant status may be eligible for BadgerCare Plus even if his or her immigration status later changes.

Haitians paroled into the U.S. through the Haitian Family Reunification Parole Program are considered Cuban/Haitian entrants.

4.3 Immigrants

An alien who are the spouses or children of an alien lawfully admitted for permanent residence and who have been waiting since at least December 2000 for their visa application to be approved.	V-1, V-2, V-3
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Immigrants who do not appear in the lists above (e.g., someone with a status of DACA) who apply for BadgerCare Plus and meet all eligibility requirements except for citizenship are entitled to receive BadgerCare Plus Emergency Services only (Chapter 39).

Pregnant immigrants who do not appear in the list above, who apply for the BadgerCare Plus Prenatal Program (BadgerCare PlusPP) (Chapter 41) and who meet the eligibility requirements, except for citizenship, are entitled to receive BadgerCare Plus Prenatal Program benefits (Chapter 41) and/or BadgerCare Plus Emergency Services (Chapter 39) these benefits.

Immigration status is an individual eligibility requirement. An individual's immigration status does not affect the eligibility of the BadgerCare Plus Group. The citizen spouse or child of an ineligible immigrant may still be eligible even though the immigrant is not.

Verify immigration status using the procedures in the SAVE Manual.

5.3.2 Notice

The IM agency must provide a Good Cause Notice (DWSP 2018) to all applicants and to members whenever a child with an absent parent is added to part of the BadgerCare Plus application or case. The notice describes the right to refuse to cooperate for good cause in establishing paternity and securing medical support.

Note: Good Cause Notices are provided automatically through ACCESS when people apply or complete renewals online, so the requirement for IM workers to furnish the notice directly to them does not apply in these situations. IM agencies must continue to mail a Good Cause Notice to people who apply or complete renewals by mail or by phone.

The IM worker and the parent or caretaker must sign and date the notice (except for when the notice is completed in ACCESS and automatically filed in the ECF). The IM worker must then file the original notice in the case record and give the applicant or member a copy. The CSA refers anyone who wants to claim good cause back to the

IM Agency for a determination of whether or not good cause exists.

5.6.1 Reporting Accident or Injury Claims

1. If a member reports a claim and is receiving SSI or, on the date of the accident or injury was receiving Wisconsin Medicaid or BadgerCare Plus, he or she must report the accident or injury case to the Casualty Recovery Unit at:
 - a. ~~getting Supplemental Security Income (SSI)~~

~~or~~

~~b. on the date of the accident or injury, lived in Clark, Douglas, Eau Claire, Fond du Lac, Green Lake, Juneau, La Crosse, Lincoln, Marinette, Milwaukee, Rock, Sheboygan, Trempealeau, Vilas, Walworth, Waushara or Winnebago County,~~

~~he or she must report the accident or injury case to the Casualty Recovery Unit at:~~

~~WI Casualty Recovery - HMS
5615 Highpoint Dr., Suite 100
Irving, TX 75038-9984~~

~~Telephone: (877)391-7471
Fax: (469)359-4319
e-mail: wicasualty@hms.com
Website: <http://www.wicasualty.com/wi/index.htm>~~

Note: If the member is enrolled in an HMO or MCO they must also report the accident or injury to that organization.

2. All other Medicaid members should report in person or via phone their local agency and any HMO or MCO that may have provided services, before the case is settled. Members should include the date of the accident and any insurance/attorney information.

7.5 Dropped Health Insurance Coverage

This section was deleted based on policy indicated in Operations Memo 15-30. The policy was effective July 14, 2015.

8.1 Pregnant Women

2. An additional 60 days after the last day of pregnancy through the end of the month in which the 60th day occurs.

The decision about her eligibility ~~does not~~ need ~~not~~ to be made prior to ~~the~~ termination of ~~the~~ pregnancy, but the application must be filed before the end of the pregnancy in order for her to remain enrolled as a pregnant woman for the 60 days after the pregnancy ends. If the application is not filed before the end of the pregnancy and the newborn is living with her or she is the caretaker relative of other children under 19, she should be tested as a caretaker relative once the pregnancy ends. An application for Express Enrollment does not meet this application test.

If a pregnant woman is covered under the Standard Plan at any time during her pregnancy she will remain in the Standard Plan while she is eligible as a pregnant woman, regardless of changes in income or other eligibility factors.

~~As of April 1, 2014, every pregnant woman in BadgerCare Plus will be enrolled in the Standard Plan, including someone who has become eligible by meeting a deductible. After February 1, 2014 pregnant women will be enrolled in the Standard Plan once she has been found eligible for Badgercare Plus. Pregnant women who are enrolled in the Benchmark Plan prior to February 1, 2014 will transition to the Standard Plan on April 1, 2014 if they are still in their certification period.~~

A pregnant woman with income over 300% FPL (under non-MAGI rules) or 306% FPL (under MAGI rules) at the time of application ~~when her eligibility is first~~

determined can become eligible for BadgerCare Plus by meeting a deductible. (See section 17.2)

There are no premiums for pregnant women. (See section 19.1)

All pregnant women, except those eligible under the BadgerCare Plus Prenatal Program, may have their eligibility backdated to the first of the month up to three months prior to the month of application. If a woman is determined to be eligible as a pregnant woman for a backdated month, she remains eligible, even if she is over the income limit for any subsequent months, as long as she is still pregnant.

Example 1: Barb is pregnant and applied for BadgerCare Plus in December with a three month backdate request. Barb is due in March. Her income was below 306% FPL for September, but over 306% for October, November, December and ongoing. She met all of the other eligibility criteria. Since she was determined eligible as a pregnant woman for the month of September, the subsequent increase in her income is ignored and she remains eligible for BadgerCare Plus through the end of the month, which is 60 days after the pregnancy ends.

9.2 Application

This section has been rewritten.

10.1 Child Welfare Parent or Caretaker Relative

See Process Help Chapter 14 Processing a Child Welfare Parents and Caretaker Relative (CWPC) Case for information on processing the Child Welfare Parent or Caretaker relative cases.

The parent/caretaker relative who meets the above requirements is considered caring for a child who is temporarily absent. The parent/caretaker relative did not have to be enrolled in BadgerCare Plus at the time of removal, but the child did have to live with the parent/caretaker. The parent will continue to be considered a parent or caretaker for purposes of BadgerCare Plus eligibility under MAGI rules. However, the child may not always be included in the parent's MAGI group. Please refer to Chapter 2 on the MAGI methodology.

If the child welfare system places a child with a Kinship Care relative, the Kinship Care relative is no longer considered as a caretaker relative (if the parent is enrolled in BadgerCare Plus as a child welfare parent under the policy described above). Instead, ~~he or she~~ the Kinship Care relative may qualify for BadgerCare Plus as a childless adult. If the parent is not enrolled as a child welfare parent, the Kinship Care relative may enroll in BadgerCare Plus as a caretaker relative.

Examples 1, 2, and 3 were updated.

Example 4: Christopher's son, Braden, was placed in Kinship Care with Christopher's sister, Vicki. Christopher is claiming Braden as a tax dependent but is not applying for BadgerCare Plus. If Vicki meets all financial and non-financial requirements, Vicki would be eligible for BadgerCare Plus as a caretaker relative with a group size of one.

11 Former Foster Care Youth

~~11 Former Foster Care Youth~~ Foster Care Medicaid

11.1 Out of Home Care (i.e., Foster Care) and Former Foster Care Youth (FFCY)

11.1 Out-of-Home Care (i.e., Foster Care) and ~~Former Foster Care Youth (FFCY)~~

This section has been rewritten.

16.2 Income Types Not Counted

41. Gifts

A gift is something a person receives, which is not repayment for goods or services the person provided, and is not given because of a legal obligation on the giver's part. To be a gift, something must be given irrevocably (that is, the donor relinquishes all control).

Under non-MAGI rules, count Monetary gifts over \$30 a calendar quarter. A Calendar quarter is three consecutive months beginning with January, April, July or October.

Under MAGI rules, do not count the value of property received as a gift as income. Count a gift as income in the month received if it meets either of the following criteria:

- Income from a bequest, devise or inheritance
- Income generated from property given to a trust if the income is paid, credited, or distributed to the individual

Example 56 was updated.

42. Money from Another Person is money a person receives which is not repayment for goods or services the person provided and is not given because of a legal obligation on the giver's part. This Money from another person is not a loan.

Under non-MAGI rules, count money from another person if the amount is over \$30 a calendar quarter. A calendar quarter is three consecutive months beginning with January, April, July, or October.

Under MAGI rules, do not count money from another person as income (see 43. for policies regarding money received from another person through an inheritance, bequest, or devise), in the month received only if it meets either of the following criteria:

- Income from a bequest, devise or inheritance
- Income generated from property given to a trust if the income is paid, credited, or distributed to the individual

Example 67: Mimi receives \$500 each month from her parents. She is not expected to pay back this money. Mimi's BadgerCare Plus eligibility is determined using MAGI rules. The \$500 is not counted as income for BadgerCare Plus eligibility.

Note: If the money is received from another person is in exchange for goods or services (such as an informal arrangement in which someone rents a room in his or her house), and if the payment is regular and predictable, it should be counted under both MAGI and non-MAGI rules. See Chapter 16.4.3.1 for information on counting rental income.

Example 78: Jeremy pays Micah \$300 each month to live in a room in Micah's house. Micah and Jeremy do not have a formal lease agreement, but the payment is regular and predictable. Count the \$300/month as income for BadgerCare Plus eligibility.

43. Inheritances, Bequests, and Devises

An inheritance is property received from someone who is deceased without a valid will. A bequest is personal property received from someone who is deceased, as directed by that decedent's will. A devise is real property received from someone who is deceased, as directed by that decedent's will.

Inheritances, bequests, and devises are generally not taxable, and, as a result, the value of the inheritance, bequest, or devise is generally not counted as income under MAGI rules.

However, there are a few forms of inheritances or bequests that may be taxable. For example, distributions from an inherited pension are usually taxable to the beneficiary if the distributions would have been taxable if the deceased were still living.

In addition, income generated from an inheritance, bequest, or devise is usually taxable.

For inheritances, bequests, and devises that are taxable, the income should be counted only in the month it was received if it was received as a lump sum. If the payments are regular and predictable, they should be prorated (unless they are received monthly) and counted accordingly.

Example 9: Roger's aunt passed away, and Roger inherited her rental house. It is worth \$100,000. The house is occupied by tenants who pay \$800/month in rent. At the time of the deed transfer, the tenants owed \$3,200 in back rent. The value of the \$100,000 property is not taxable, but if the tenants pay Roger the \$3,200 in back rent, that income is taxable and would be counted under MAGI rules in the month it was received. If they pay Roger \$800/month on an ongoing basis, this income would also be taxable and would be counted based on MAGI rules regarding rental income.

Note: Income from the sale of inherited property is taxable if the property is sold for more than the fair market value on either the date of the decedent's death or on the alternate valuation date. In Example 9, if Roger were to sell the rental house for \$150,000, the \$50,000 gain would be taxable. If Roger receives income from the sale in a lump sum, this income would only be counted in the month it was received.

Example 10: Darcy inherited her husband's \$150,000 life insurance policy. In most cases, life insurance policies are not taxable when they are inherited, so the \$150,000 should not be counted as income. However, Darcy receives an ongoing interest payment of \$1,200/month from the policy. This amount is taxable and would be counted as unearned income.

Income generated by an inheritance, bequest, or devise includes situations in which someone is the beneficiary of a trust or estate, and the trust or estate holds assets that are generating income. If the trust or estate distributes income to the beneficiary, the beneficiary is responsible for paying taxes on that income.

Example 11: Keisha is the beneficiary of a trust. Land was given to the trust, and it generates interest that is distributed to Keisha as the beneficiary. Count this interest as unearned income.

43-44. Worker's Compensation

Under non-MAGI rules, count Worker's Compensation benefits as unearned income.

Under MAGI rules, do not count Worker's Compensation benefits. This includes Worker's Compensation benefits received as a settlement.

16.4.3.2.3 Disallowed Expenses

Depreciation and Depletion

Through March 31, 2014, depreciation expenses will continue to be handled using the follow process for applicants tested under non-MAGI rules:

Net self-employment income for BadgerCare Plus groups is first determined without allowing depreciation expenses. If the group's total countable IM income exceeds 200 percent of the FPL, the self-employed group is allowed a second income test. For the second test, net self-employment income is redetermined, this time deducting depreciation expenses. If the total countable IM income minus the depreciation is

~~less than 200 percent of the FPL, the adults and children are eligible for the Benchmark Plan. The premium for the parents and children in the household is 5 percent of the household's total countable gross income including depreciation (i.e., depreciation expenses are not deducted).~~

Effective February 1, 2014, for new BadgerCare Plus applicants and effective April 1, 2014, for existing BadgerCare Plus members, depreciation and depletion expenses will be allowable expenses.

Under non-MAGI rules, the following expenses are not allowed for BadgerCare Plus:

- Net loss carryover from previous periods (long term capital loss)
- Federal, state, and local income taxes
- Charitable donations
- Work-related personal expenses, such as transportation to and from work
- Employer work-related personal expenses, such as pensions, employee benefit and retirement programs, and/or profit sharing expenses. (Business expenses for employees' pensions, benefits, retirement programs, and profit sharing expenses are allowable, but the work-related personal expenses of the employer are not.)
- The purchase price of income producing real estate, capital assets/equipment, and durable goods or payments on the principal of loans for the purchase of these assets.
- Guaranteed payments to partners

Under MAGI rules, the following expenses will continue to not be allowed for BadgerCare Plus:

- Charitable donations
- Work-related personal expenses, such as transportation to and from work
- Employer work-related personal expenses, such as pensions, employee benefit and retirement programs, and/or profit sharing expenses. (Business expenses for employees' pensions, benefits, retirement programs, and profit sharing expenses are allowable, but the work-related personal expenses of the employer are not.)
- Principal portion of mortgage payment

25.6 Filing Date

For **health care** applications submitted to the local agency, the filing date is the day a signed valid application or registration form is delivered to the Income Maintenance agency ~~or the next business day if it is delivered after the agency's regularly scheduled business hours.~~

The filing date on an ACCESS application for health care is the date that the application is submitted electronically, regardless of the time of day it was submitted. The filing date on ~~or~~ an application ~~submitted to~~ received from the Marketplace is the application date listed on the Marketplace application ~~the application is electronically submitted or the next business day if submitted after 4:30 PM or on a weekend or holiday.~~

When an application is submitted by mail or fax, record the date that the IM agency received the valid application form or the next business day if the application is received after the agency's regularly scheduled business hours.

28.8 Agency Retention

The IM agency can retain 15% of the payments recovered. See IMM Chapter ~~3-3-8~~ 13.8 Local Agency Retention Portion of Claims.

29.1 Notices

A member ~~must receive a notice~~ must be either mailed or sent electronically at least 10 days prior to a negative action, such as a termination of benefits, ~~a change from the Standard plan to the Benchmark plan (only until March 31, 2014),~~ or an increase in premium.

48.1.1 Premiums for Children Under non-MAGI rules, group premiums (the total of the premiums of the children in the group) will be capped at 5% of the group's countable household income for families with incomes at or below 300% of the FPL.

The below table outlines the premium amounts for children whose income is determined under non-MAGI rules.

The table with premium amounts for children in non-MAGI cases was deleted.

48.1.2 Premiums for Adults The tables for family sizes 1-10 have been updated with values that were effective February 1, 2016.

48.1.3 Premiums for Adult Caretaker Families with Self-Employment Income The table has been updated with values that were effective February 1, 2016.

50.1 Federal Poverty Level Table The table has been updated with values that were effective February 1, 2016.