



of Wisconsin Disability Organizations

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Wisconsin Medical Assistance Purchase Plan (MAPP)

The Survival Coalition of more than 30 disability organizations in Wisconsin strongly supports changes to the state's Medical Assistance Purchase Plan (MAPP) that will help prioritize employment for people with disabilities.

Specifically, the Coalition supports changing how unearned income is counted. This change can reduce premium costs for many MAPP participants who have faced added barriers to employment because of extremely high MAPP premium costs, and can strengthen the program's ability to act as an effective work incentive, as it was originally intended. However, while it has been suggested that changes to the MAPP program will not result in a decrease in the number of individuals eligible for Medicaid, the Coalition does question the continued ability of individuals engaged in informal work situations to access MA or other comparable health insurance.

Survival Coalition concerns with potential changes

- Survival Coalition has concerns that changes to informal work guidelines may result in the following impacts on people with disabilities:
 - Reduction in the number of individuals enrolled in MAPP, resulting in many individuals with complex health needs losing access to Medicaid, and the state losing millions in federal Medicaid revenues.
 - Lack of alternative health insurance options with comparable coverage available to individuals no longer eligible for MAPP. For example, most individuals currently enrolled in MAPP are also eligible for Medicare, however the coverage under Medicare is not as inclusive as Medicaid, and Medicare-eligible individuals are not allowed to purchase coverage on the ACA exchange and most are not eligible for Badgercare (Parents on Medicare with incomes below 100% of FPL will be eligible for BadgercarePlus). For those who are not eligible for Medicare, BadgercarePlus will not be an option in the future if their income is above 100% of the FPL – which is likely to be the case for many MAPP participants. Additionally, individuals with higher amounts of income may have such large deductibles under the Medicaid Medically Needy program as to have

- the practical effect of foreclosing Medicaid payment in anything less than catastrophic circumstances.
- Significant increases in state and county costs for emergency and institutional care, due to loss of access to health programs.
 - An abrupt end to informal work arrangements without strong supports in place to facilitate entrance into formal employment will result in isolating rather than facilitating some individual's progression to competitive employment.
 - Loss of Medicaid eligibility will also result in an individual's loss of other community-based services such as transportation, CSP or CCS, prescription coverage that are billable under Medicaid but not covered by Medicare or insurance plans available through the exchange.
- The proposal put forward by Representative Jacque makes changes to the way unearned income is treated for premium purposes. Survival Coalition is generally supportive of this approach to treating unearned the same as earned income. This will result in a substantial reduction in premiums for people with large Social Security Disability Insurance checks. However, several concerns remain regarding the calculation of income for the purposes of both eligibility and premium assessment.
 - Currently, people with income under 150% of the federal poverty level (FPL) do not have to pay a premium. Under current rules, a person's individual income is compared to 150% of the FPL for that individual's household size. Therefore, people that are married or have children living in the household will have that taken into account, since 150% FPL will be much higher for a household with others living in it. The proposal by Representative Jacque changes that so the person's individual income is only compared to 150% of FPL for a household size of one. This may cause people with children or who are married to pay a premium when they didn't before.
 - Currently, people with income under 250% are eligible for MAPP, as long as they meet the other requirements. Under current rules, the person's household income is compared to 250% FPL of the household's actual size. Representative Jacque's proposal changes this so that only the person's individual income is compared to 250% of FPL for a household size of one. Obviously, similarly to the point above, this may cause some currently eligible people with families to become ineligible for MAPP.

Survival Coalition Recommendations

1. The Medicaid "medically needy" income limit should be increased to reflect the true basic cost of living for individuals in 2013, so that spend-down is a realistic option. Many individuals will only be eligible for MA through a spend-down, and the current income limits established in 1986 are extremely dated and inadequate.
2. Treat unearned income in the same manner as earned income for the purpose of premium calculation.
3. Support the growth of evidenced-based competitive employment supports for individuals with disabilities, such as IPS (individual placement and support) intended for individuals with serious mental illness.

4. The current employment supports offered through MAPP are often not adequate to assist many of the individuals who may have informal work arrangements but want to find competitive employment. There should be an increased focus in the MAPP program to develop strategies that not only incentivize formal work arrangements, but also offer sufficient support to people needing assistance in gaining the skills necessary to move to formal work.
5. Requiring employment verification may cause some employers to terminate an existing informal employment situation because of concern over the administrative burden attached. An added requirement for employment verification should be implemented in such a way as to minimize this result and encourage employers to convert to a more formal work arrangement.
6. Assure sufficient time for individuals who are currently eligible for MAPP by virtue of an informal work arrangement to successfully transition to more formal work.
7. Prior to implementing changes in MAPP eligibility, engage in a data analysis that verifies that there will not be any unintended consequences which of limit the ability of individuals no longer considered eligible for MAPP to access other comparable forms of health insurance and community programs they currently receive through Medicaid.

Sincerely,

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