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State of Wisconsin  
Governor Scott Walker

TO: **Income Maintenance Supervisors  
Income Maintenance Lead Workers  
Income Maintenance Staff  
W-2 Agencies  
Workforce Development Boards  
Job Center Leads and Managers  
Training Staff  
Child Care Coordinators**

FROM: Shawn Smith, Bureau Director  
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Accountability

| DHS OPERATIONS MEMO |                          |                          |                          |       |                                     |
|---------------------|--------------------------|--------------------------|--------------------------|-------|-------------------------------------|
| No:                 |                          | DHS 14-03 <b>Amended</b> |                          |       |                                     |
| DATE:               |                          | 03/13/2014               |                          |       |                                     |
| FS                  | <input type="checkbox"/> | MA                       | <input type="checkbox"/> | BC+   | <input checked="" type="checkbox"/> |
| SC                  | <input type="checkbox"/> | CTS                      | <input type="checkbox"/> | FSET  | <input type="checkbox"/>            |
| BC+ Basic           | <input type="checkbox"/> | BC+ CORE                 | <input type="checkbox"/> |       |                                     |
| CC                  | <input type="checkbox"/> | W-2                      | <input type="checkbox"/> | EA    | <input type="checkbox"/>            |
| CF                  | <input type="checkbox"/> | JAL                      | <input type="checkbox"/> | JC    | <input type="checkbox"/>            |
| RAP                 | <input type="checkbox"/> | WIA                      | <input type="checkbox"/> | Other | <input type="checkbox"/> *          |
|                     |                          |                          |                          | EP    |                                     |

**SUBJECT: BadgerCare Plus Extensions Policy Changes**

**CROSS REFERENCE:** Operations Memo [13-32](#), [13-43](#), [14-01](#), [14-02](#)  
BadgerCare Plus Eligibility Handbook, Chapters 18 & 19

**EFFECTIVE DATES:** February 1, 2014 and April 1, 2014

**PURPOSE:**

The purpose of this memo is to announce policy changes to BadgerCare Plus (BC+) Extensions (also known as Transitional Medical Assistance) for 2014 resulting from recent federal legislation and new waiver requirements.

**BACKGROUND:**

As described in Operations Memos 13-32 and 14-01, provisions in the federal Patient Protection and Affordable Care Act (PPACA or ACA), 2013 Wisconsin Act 20 (the State Biennial Budget), 2013 Wisconsin Act 116, and 2013 Wisconsin Act 117, require changes in the policies used to determine eligibility for the BC+ program. These changes included a change in the length of BC+ Extensions so that all Extensions started in 2014 would be for 4 months.

Recent federal legislation has extended the current policy of setting 12-month earned income and 4-month child support extensions through March 31, 2015.

In addition, as part of BC+ changes for 2014, Wisconsin requested a federal waiver to collect premiums from adults in Extensions. This Operations Memo also describes the specific premium-related policies for adults in Extensions that will take effect April 1, 2014.

## **POLICY CHANGES:**

### 12-MONTH EXTENSIONS:

Recent federal legislation has extended through March 31, 2015, the current policy of setting 12-month Extensions for people who lose eligibility due to an increase in earned income.

As described in [Operations Memo 13-32](#), CARES was updated to set all Extensions that start in 2014 as 4-month Extensions. These changes were implemented in CARES, effective February 1, 2014. All earned income Extensions set in February and March 2014 will be set as 4-month Extensions. To accommodate the change in policy these extensions will be updated systematically to 12 months prior to the end of the 4-month Extension. Workers will not be required to take action to update the extension from 4 to 12 months. CARES will be updated to reflect the extension of the 12-month earned income Extension policy.

Ongoing BC+ members who are in a 12-month earned income or a 4-month child support Extension will remain in that Extension, until the end of the Extension certification period, as long as they continue to meet all other eligibility criteria.

Members eligible as a childless adult are not eligible for an Extension.

### OTHER CHANGES IN EXTENSIONS POLICY FOR 2014:

As described in [Operations Memo 13-32](#), the basic policies for becoming eligible for an Extension are generally not changing in 2014, with the exceptions discussed below.

### **Starting Extensions**

Because of MAGI-related changes in household composition and income counting rules, there are some differences in how extensions will be set for households whose eligibility is determined under old BC+ budgeting rules vs. households whose eligibility is determined under MAGI rules:

- Households whose eligibility is determined under old BC+ rules must have been eligible for BC+ with household income at or below 100% of the FPL for 3 out of the last 6 months and had their income increase to over 100% FPL due to earnings and/or child support.

- Parents, caretaker relatives and pregnant women whose eligibility is determined under MAGI rules must have been eligible with income at or below 100% of the FPL for 3 out of the last 6 months and had their income increase to over 100% FPL due to earnings and/or alimony. When a parent, caretaker relative or pregnant woman enters an Extension, all dependent children, stepchildren and NLRR children of that person will be eligible for the same Extension, provided that they are eligible for BC+ under MAGI rules with incomes at or below the income limits described here in the month prior to the start of the extension:

| Group                      | Extension eligibility under MAGI Rules |
|----------------------------|--|
| Children under age 1       | Income at or below 306% FPL            |
| Children ages 1 through 5  | Income at or below 191% FPL            |
| Children ages 6 through 18 | Income at or below 156% FPL            |

Effective February 1, 2014, CARES was updated to implement these rules.

### Losing Extensions

There are three policy changes related to losing extensions:

Effective February 1, 2014, the household (under old BC+ rules) or the individual (under MAGI rules) does not need to maintain employment in order to continue their earned income extension. Effective February 1, 2014, CARES was updated to implement this policy for MAGI-based extensions only. If a household whose Extension was built under old BC+ rules reports a loss of employment, and the members are not otherwise eligible for BC+ due to that loss of income, contact the CARES Call Center for assistance in continuing the Extension.

Based on the planned implementation of 4-month earned income Extensions, CARES was updated so that parents / caretaker relatives in a MAGI-based extension may continue their extension even if there are no more children under age 19 in the home. Similarly, CARES was updated so that children in a MAGI-based extension could continue their Extension if they turned 19. However, under the implementation of 12-month earned income Extensions, the existing policies will stay in effect:

- Parents / caretaker relatives only continue to be eligible for an earned income extension if there is still a child under age 19 in the home. If all children leave the home or turn 19, the extension should end.
- Children only continue to be eligible for an earned income extension until they turn 19.

CARES will be updated to reflect this change, but in the meantime, contact the CARES Call Center for assistance with ending any MAGI-based earned income extension for the reasons described above.

➤**Note:** these policies for losing extensions based on no longer qualifying as a parent / caretaker or child are for earned income extensions only. They do not apply to extensions based on increases in child support or alimony.

### Extensions policies based on old BC+ vs. MAGI rules

There are some additional differences in extension policy based on whether the household or individual was eligible under old BC+ rules or MAGI rules when the extension started. They include:

| <b>Requirement for households entering an extension under old BC+ rules<br/>(Existing extensions policy)</b>   | <b>Requirement for households entering an extension under MAGI rules</b>   |
|--|--|
| Pregnant women can only enter an earned income or child support extension once the pregnancy reaches the 8 <sup>th</sup> month.  | All pregnant women can enter an earned income or alimony extension if they qualify.  |
| Youth Exiting Out-of-Home Care (also known as Former Foster Care Youth) with children may qualify for an extension.  | Former Foster Care Youth (also known as YEOHCs) never qualify for extensions.  |
| If an extension ends because the parent's income decreases below 100% FPL, the child's extension also ends. If the parent qualifies for a new extension, the child will be put into the new extension.               | If an extension ends because the parent's income decreases below 100% FPL, the child's extension will continue to stay in the original extension eligibility category until it expires.  |
| If a child in an unexpired extension has the other parent qualifying for an extension, the child could be put into the new extension. (Note that this is possible but not likely to happen under current BC+ rules.) | If a child is in an unexpired extension and a parent qualifies for a new extension, the child's extension will continue to stay in the original extension eligibility category until it expires. The child is not eligible for the other parent's extension. |

Effective February 1, 2014, CARES was updated to reflect the new policies for MAGI-based extensions described above.

#### PREMIUMS FOR ADULTS IN EXTENSIONS:

In addition, as part of BC+ changes for 2014, Wisconsin requested a federal waiver to collect premiums from adults in Extensions. As outlined in Operations Memo 13-32, Wisconsin planned to require premium payment from all non-exempt adults in Extensions, including those with incomes between 100% and 133% of the FPL.

Based on recent waiver approval from CMS, adults with incomes at or below 133% of the FPL will **not** be subject to premiums for the first six calendar months of their Extension. Non-exempt adults with incomes above 133% of the FPL in an Extension will continue to be subject to premium requirements in 2014.

The six months of premium exemption will start with the begin date of the Extension for someone in an Extension whose income is at or below 133% FPL. If the member has an increase in income that puts their income above 133% FPL, they will be subject to premiums, even if they are still in the first six months of the Extension. If the member's income subsequently decreases to below 133% FPL, they will be exempt from premiums as long as they are in the first six months of their Extension. If the member's income drops below 100%, then later increases and the member qualifies for a new Extension, the six-month premium

exemption will begin with the new Extension. If the member's income drops below 100% and then later increases but the member does not qualify for a new Extension, the member will be re-enrolled in the previous Extension and the original 6-month timeframe for exempting premiums will apply.

Note that the requirement to pay premiums after the first six months only applies to Extensions that began on or after April 1, 2014:

- Members with income at or below 133% FPL who are in an Extension *that began prior to April 1, 2014* will not be subject to premiums during that Extension period.
- Members with income at or below 133% FPL who are in an Extension *that began on or after April 1, 2014* will be subject to premiums starting with the seventh calendar month of the extension.

**Example 1:** Jane starts a 12-month Extension in June, when her income increases from 90% FPL to 110% FPL. On August 5th, she reports she received a raise, and her income goes up to 155% FPL. If her income stays at 155% for the rest of the Extension, she will owe a premium each month from September through May.

**Example 2:** Joe starts a 12-month Extension in May, when his income increases from 90% FPL to 110% FPL. On June 3<sup>rd</sup>, he reports he received a raise, and his income goes up to 155% FPL. In July, he will owe a premium. In August, he reports a reduction in hours, bringing his income down to 120% FPL. He will not owe a premium in August, September or October, but starting with the month of November, his 6-month exemption is over, so he will start paying premiums again.

**Example 3:** Jim starts a 12-month Extension in August, when his income increases from 90% FPL to 140% FPL. He owes a premium. He reports a reduction in hours effective December, which brings his income down to 120% FPL. He will not owe a premium in December or January, but starting in February, his 6-month exemption is over, so he will start paying premiums again.

#### RESTRICTIVE RE-ENROLLMENT FOR ADULTS IN EXTENSIONS:

Under the waiver approved by CMS, adults in extensions who are subject to premiums will be subject to the same restrictive re-enrollment policies as children who are subject to premiums (see [Operations Memo 13-32](#)), effective April 1, 2014.

Starting April 1, 2014, Restrictive Re-enrollment Periods (RRPs) for adults who fail to pay a premium will now be for 3 months. After the 3 month RRP is served, the arrears will be forgiven. Adults will also have the option to re-enroll within the 3-month period as long as they pay all premiums due and request to re-enroll prior to the end of the RRP. **Adults must request to re-enroll and should not be automatically re-opened at the end of the RRP.**

➤ **Note:** these policies apply to all adults in extensions who are subject to RRP, including those for whom an RRP started prior to April 1, 2014. If the member has served at least three months in an RRP as of April 1, 2014, the RRP may be ended and the member may reenroll at their request. If a 12 month RRP has been set by CARES workers must override the end date of the RRP to the last day of the 3<sup>rd</sup> month of the RRP, but only if the member has made a request to re-enroll.

**Example:** Tina did not pay the June premium while in an Extension. Tina will be in a 3-month RRP for July, August & September. Tina contacted the IM agency in August and requested to have her BC+ re-instated. Tina will have to pay the June, July and August premiums in order to re-instate her BC+ in August. If Tina had not contacted the IM agency until after September 30th, Tina would not have been able to re-enroll for July, August or September. In that situation, the June premium would have been forgiven and she could re-enroll, as long as there are still months left in the Extension.

As with current policy, members whose income decreases to an amount that would not require a premium will be removed from the RRP and re-enrolled in BC+.

To align all RRP policies effective April 1, 2014, this same RRP policy will be implemented for children who entered an RRP prior to January 1, 2014. Any such RRPs will be updated in CARES in March to ensure they have an RRP end date no later than 3 months after the RRP started. If eligibility is subsequently re-run for an open case, these children's eligibility will re-open. However, if the case has been closed for more than 30 days, the household would have to reapply in order to regain benefits for the child.

CARES will be updated in late June 2014 to reflect these RRP policies for adults. In the meantime workers will have to adjust the RRP following the process outlined below. Note that reason code language will be adjusted prior to March Adverse Action to reflect this 3-month RRP policy for adults on the notice of decision. CARES will continue to set a 12-month RRP until the update planned for June, but the notice of decision will indicate the RRP is for 3 months.

Beginning April 1, 2014 for adults, late payments of all premiums that are due are allowed up to 3 months after the start of the RRP. If a premium is made within those 3 months, delete the RRP using the "LP-Late payment" code. Eligibility will have to be run to re-determine eligibility for the months the adult was in the RRP. (See Process Help Chapter 23.4 for instructions on processing a late premium). If no premium is paid and no request to restore eligibility is made within the 3 month RRP period and the individual later requests BC+, the RRP should be end dated using the last day of the third month of the RRP as the override end date. The Premium Tracking page must also be updated to show the past due premium as paid.

### **CARES:**

CARES and CWW will be updated to reflect these policies as described in detail above. Note that changes have not yet been made to implement the premium policies and restrictive re-enrollment periods for extensions starting on or after April 1, 2014.

### **CONTACTS:**

#### **BEPS CARES Information & Problem Resolution Center**

\*Program Categories – FS – FoodShare, MA – Medicaid, BC+ – BadgerCare Plus, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – FoodShare Employment and Training, BC+ Core – BadgerCare Plus Core, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC – Job Center Programs, RAP – Refugee Assistance Program, WIA – Workforce Investment Act, Other EP – Other Employment Programs.