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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
Bureau of Enrollment Policy & Systems
Division of Health Care Access and
Accountability

BEPS/DFS OPERATIONS MEMO					
No: DHS 14-08					
DATE: 01/28/2014					
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"/> *
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SUBJECT: MAGI Policy Clarifications for 2014

CROSS REFERENCE: Operations Memo 13-32, 13-43, 14-01, 14-02
BadgerCare Plus Handbook

EFFECTIVE DATES: February 1, 2014

PURPOSE:

The purpose of this memo is to announce BadgerCare Plus policy clarifications resulting from recent federal guidance on deceased tax co-filers, tax filing thresholds, and calculation of deductibles.

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 BadgerCare Plus (BC+) program.

The federal Centers for Medicare and Medicaid Services (CMS) has provided additional guidance on implementation of budgeting rules based on Modified Adjusted Gross Income (MAGI). This guidance, along with questions raised during in-person training for Income Maintenance consortia, resulted in minor changes and clarifications to BadgerCare Plus policies, effective with the implementation of MAGI rules on February 1, 2014.

POLICY CHANGES:

“EXPECTED TO BE REQUIRED TO FILE” THRESHOLD:

As described in detail in Operations Memo 13-32, the income of certain children and tax dependents is only counted if that child or tax dependent is expected to be required to file taxes, based on the amount of income they expect to have that year.

As noted in Operations Memo 13-32, Social Security Income is excluded when determining if the child or tax dependent exceeds the \$950 threshold for unearned income, even though that income is a countable income type for BC+.

The following income types are also excluded when determining if the child or tax dependent exceeds the annual threshold:

Self-Employment Income

CARES and ACCESS currently include a question about whether children or tax dependents expect to have more than \$400 in self-employment for the current tax year. This threshold will not be used by CARES when determining whether a child or tax dependent is expected to be required to file taxes. Only the questions about earned income and unearned income thresholds will be used for this purpose. Until this self-employment question can be removed from CARES, workers should enter a “No” for this question.

Educational Aid

CARES and ACCESS currently include questions about whether children or tax dependents expect to have more than \$950 in unearned income or \$5,950 in earnings for the current tax year. Educational aid does not count toward either of these thresholds and should not be considered when determining if a child or tax dependent is expected to be required to file.

Reminder: These income types are not counted when determining if the child or tax dependent is over the earned or unearned income threshold. However, if the child or tax dependent has other income sources that put him or her over the threshold, Social Security income, self-employment income, and any grants or scholarships other than those used for tuition, books and mandatory fees, will be included as countable income for that child or tax dependent.

INCLUSION OF DECEASED CO-FILERS IN MAGI ASSISTANCE GROUPS:

Effective February 1, 2014, deceased tax co-filers will be included in the tax filer's MAGI assistance group if the tax filer plans to file jointly with that spouse. The deceased co-filer will be added to assistance groups according to MAGI rules for adding the jointly filing spouse of a tax filer, and will increase the group size by one. The income of a deceased individual should not be counted in any month after the date of death. The worker must end date the Employment/Self-Employment or Unearned Income page for the deceased individual.

Note that someone can only file jointly with their deceased spouse for the tax year in which the spouse passed away.

Like deceased tax dependents, deceased co-filers should be added as household members in CARES. Co-filers will be marked as "DEC" in CARES and only limited information will be required to be collected for them.

CARES will be updated effective February 1, 2014 to reflect this policy.

CALCULATING DEDUCTIBLES:

As described in detail in Operations Memo 13-32, children under age 19 and pregnant women can qualify for BadgerCare Plus in 2014 by meeting a deductible. The deductible amount is calculated over a six-month period using the amount of income that exceeds 150% FPL for children and 300% FPL for pregnant women.

When determining the deductible amount, only the income of the member, the member's spouse, and if the member is under age 19, the member's parents should be considered. If a sibling's or tax dependent's income has been counted as part of the applicant's regular MAGI assistance group, it should be excluded for purposes of calculating the deductible.

CARES has not yet been updated to reflect this change. Workers should adjust deductible calculations manually by entering the correct monthly amount in the 'Amount' column using CARES screen AGMD to reflect these exclusions.

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.

DHS/DHCAA/BEPS/AA