



DEPARTMENT OF CHILDREN  
AND FAMILIES  
Secretary Eloise Anderson  
201 East Washington Avenue, Room G200  
P.O. Box 8916  
Madison, WI 53708-8916  
Telephone: 608-266-8684  
Fax: 608-261-6972  
www.dcf.wisconsin.gov

DEPARTMENT OF HEALTH SERVICES  
Secretary Kitty Rhoades  
1 West Wilson Street  
P.O. Box 7850  
Madison, WI 53707-7850  
Telephone: (608) 266-9622  
FAX: (608) 266-7882  
www.dhs.wisconsin.gov

**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 and Systems  
Division of Health Care Access and Accountability**

<b>DHS OPERATIONS MEMO</b>		
<b>No:</b>	<b>DHS 14-31</b>	
<b>DATE:</b>	<b>JULY 22, 2014</b>	
<b>FS</b>	<input type="checkbox"/>	<b>MA</b>
<b>SC</b>	<input type="checkbox"/>	<b>CTS</b>
		<b>BC+</b>
		<b>FSET</b>
		<input checked="" type="checkbox"/>
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**SUBJECT: Systems Updates to Support Premiums for Adults in Extensions**

**CROSS REFERENCE:** [Operations Memo 14-03](#)  
BC+ Eligibility Handbook [Chapters 18 and 19](#)

**EFFECTIVE DATE:** August 25, 2014

**PURPOSE:**

This memo describes CARES updates to support collection of premiums from adults with income at or below 133% of the Federal Poverty Level who are in an Earned Income Extension.

**BACKGROUND:**

As described in [Operations Memos 14-03](#), Wisconsin received a federal waiver to collect premiums from non-exempt adults in Extensions. Under the terms of the waiver, adults with incomes at or below 133% FPL will not be subject to premiums for the first six calendar months of their Extension. Non-exempt adults with incomes above 133% FPL in an Extension will continue to be subject to premium requirements throughout their Extension.

Effective April 1, 2014, the six-month premium exemption period starts with the begin date of the Extension. During this six-month period, the member is exempt from premiums for any month in which his or her income is at or below 133% FPL.

Starting with the seventh month of the Extension, a non-exempt adult with income at or below 133% FPL will be charged a premium equal to 2% of his or her assistance group's income. These adults will be subject to the BC+ premium payment policies and restrictive re-enrollment periods outlined in [Chapter 19](#) of the BC+ Eligibility Handbook. This policy only applies to Extensions that began on or after April 1, 2014.

The six-month premium exemption period remains the same for a given Extension, irrespective of changes in the member's income:

- If the member has an increase in income that puts his or her income above 133% FPL, s/he 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, s/he will be exempt from premiums as long as s/he is in the first six months of the Extension.
- If the member's income drops below 100% FPL, s/he will be enrolled in regular BC+ and is no longer subject to a premium.
- If the member's income drops below 100% FPL 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 six-month timeframe for exempting premiums will apply.
- If the member's income drops below 100% FPL, then later increases and the member qualifies for a new Extension, a new six-month premium exemption will begin with the new Extension.

As noted above, this policy only applies to Extensions that began on or after April 1, 2014. As a result, October 2014 is the first month for which premiums will be charged for non-exempt adults in an Extension with income at or below 133% FPL.

**Example 1:** Jane starts a 12-month Extension in June, when her income increases from 90% FPL to 110% FPL. If Jane's income remains below 133% FPL, she will owe a premium beginning in December, the seventh month of her Extension.

**Example 2:** 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. Jane owes a premium starting in September. If her income stays above 133% FPL through November, she will continue to owe a premium, even though she is in the first six months of her Extension. She will owe a premium, irrespective of whether her income is above or below 133% FPL, for December through May.

**Example 3:** Joe starts a 12-month Extension in May, when his income increases from 90% FPL to 110% FPL. On June 3rd, 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 starting in the month of August. He will not owe a premium in August, September or October, but starting with the month of November, his six-month exemption is over, so he will start paying premiums again.

**Example 4:** 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 six-month exemption is over, so he will start paying premiums again.

### **PREMIUM AMOUNTS:**

The table below shows the dollar amount ranges of the 2% premiums that will be charged to members in Extensions with income over 100% FPL and up to and including 133% of the FPL. As described above, these premiums take effect on October 1, 2014, once individuals who are in this income range enter the seventh month of an Extension. .

<b>AG Size</b>	<b>Income Range</b>	<b>Premium Range</b>
1	\$972.51 - 1,293.43	\$19 - 26
2	\$1,310.84 - 1,743.41	\$26 - 35
3	\$1,649.18 - 2,193.39	\$33 - 44
4	\$1,987.51 - 2,643.38	\$40 - 53
5	\$2,325.84 - 3,093.36	\$47 - 62
6	\$2,664.18 - 3,543.34	\$53 - 71
7	\$3,002.51 - 3,993.33	\$60 - 80
8	\$3,340.84 - 4,443.31	\$67 - 89
9	\$3,679.18 - 4,893.29	\$74 - 98
10	\$4,017.51 - 5,343.28	\$80 - 107

As noted above, non-exempt adults with incomes above 133% FPL in an Extension will continue to be subject to premium requirements throughout their Extension. The premium calculation for these adults has not changed, and the current premium amounts can be found in [Chapter 48.1.2](#) of the BC+ Eligibility Handbook.

### **CARES:**

As of August 25, 2014, CARES will be updated to track whether a member is in the first six calendar months of his or her Extension. If the member is in this six-month period, and has income at or below 133% FPL, premiums will not be charged. Once a non-exempt adult enters the seventh month of his or her Extension, premiums will be required, irrespective of his or her income.

As previously noted, this policy only applies to Extensions that began on or after April 1, 2014. October 2014 is the first month for which premiums will be charged for non-exempt adults in an Extension with income at or below 133% FPL. Adults whose Extensions began in April 2014 will receive notices no later than September adverse action to inform them of their premium obligation for October.

In late September 2014, the CARES Worker Web Budget Page will be updated to indicate the seventh month of the Extension for members who are not yet subject to a premium.

The screenshot shows the CARES Worker Web interface. At the top, the user is identified as P. CHAMARTHY with User ID XCTP53. The system is displaying the 'BadgerCare Plus MAGI Budget' page for an assistance group named 'MAGM - BCP - EXTENSIONS (ADULTS)'. The status is 'Open' and the mode is 'Ongoing'. The date is 07/01/2014. A red circle highlights the '7th Month Premium Start Date' as 08/01/2014.

Assistance Group Results			
Assistance Group Overview			
Assistance Group:	MAGM - BCP - EXTENSIONS (ADULTS)	Sequence:	1
Benefit Begin Date:	05/01/2014	Benefit End Date:	
Determination Date:	04/17/2014	7th Month Premium Start Date:	08/01/2014
Results			
Assistance Group Status:	O - OPEN	Eligibility Status:	PASS
Plan Type:	STANDARD PLAN	Household Composition Type:	TAX FILER RULES
		Determination:	I - IM
Fiscal Test Group			
	Adults	Children	Total
Eligible Members:	1	0	1
Counted Members: +	1	1	2
Fetus Count: +		0	0
Assistance Group Size:	2	1	3

**CONTACTS:**

BEPS CARES Information and Problem Resolution Center

\*Program Categories – FS – FoodShare, MA – Medicaid, BC+ – BadgerCare Plus, SC – Senior Care, CTS – Caretaker Supplement, FSET – FoodShare Employment and Training.

DHS/DHCAA/BEPS/AA