



Date: June 20, 2016

DHCAA Operations Memo 16-17

To: Income Maintenance Supervisors  
Income Maintenance Lead Workers  
Income Maintenance Staff

Affected Programs:	
<input type="checkbox"/> BadgerCare Plus	<input type="checkbox"/> Caretaker Supplement
<input type="checkbox"/> FoodShare	<input type="checkbox"/> FoodShare Employment and Training
<input checked="" type="checkbox"/> Medicaid	
<input type="checkbox"/> SeniorCare	

From: Jennifer Mueller, Associate Bureau Director  
Bureau of Enrollment Policy and Systems  
Division of Health Care Access and Accountability

### Reasonable Compatibility for the Medicaid Purchase Plan

#### CROSS REFERENCE

- Operations Memo [14-50](#) and [15-16](#)
- BadgerCare Plus Eligibility Handbook, [Section 9.12 Reasonable Compatibility for Health Care](#)

#### EFFECTIVE DATE

June 27, 2016

#### PURPOSE

The purpose of this Operations Memo is to announce a change to income verification policy for people applying for or enrolled in the Medicaid Purchase Plan (MAPP). The change will entail the use of the reasonable compatibility test to determine whether verification of earned income is required. This Memo also announces changes to CARES to accommodate the change in policy.

#### BACKGROUND

Provisions in the Patient Protection and Affordable Care Act of 2010 (PPACA or ACA) require states to rely as much as possible on electronic data sources when verifying information provided by health care applicants. Federal regulations restrict states from requesting documentation from these applicants unless the information cannot be obtained through an electronic data source or information from the electronic data source is not reasonably compatible with what the applicant has reported.

As stated in Operations Memo 14-50, "Using Data Exchanges to Verify Earned Income for Health Care" and Operations Memo 15-16, "Using Equifax Data to Verify Earned Income," the electronic data sources the Department of Health Services is using to verify earnings are the State Wage Information Collection Agency (SWICA) and Equifax (previously known as TALX or The Work Number). These data sources are available as real-time data exchanges through the Federal Data Services Hub.

As of December 2014, a reasonable compatibility test has been in effect for most subprograms of health care coverage. As of June 27, 2016, changes to CARES Worker Web (CWW) will support the use of reasonable compatibility tests for MAPP.

## **POLICY**

Effective June 27, 2016, a reasonable compatibility test will be used when financial eligibility is determined for a MAPP member with earned income for which there is either a SWICA or Equifax match available. (In this Memo, a “member” is defined as both an eligible MAPP member and a person applying for MAPP.) This policy change does not affect the verification requirement for deductions used to determine eligibility for MAPP. The reasonable compatibility test may first apply to MAPP eligibility determinations made for the month of June 2016.

If a SWICA or Equifax match is not available because a person is employed on an informal or in-kind basis, then earnings must be verified.

## **REASONABLE COMPATIBILITY TEST**

As defined in federal regulations, information from an electronic data source is reasonably compatible if it results in the same eligibility outcome as member-reported information:

- If both the electronic data source and the member-reported information put the member’s total countable income below a given income threshold, the two data sources are considered to be reasonably compatible and **further verification may not be requested or required.**
- If the electronic data source puts the member’s total countable income above a given income threshold, but the member-reported information puts his or her total countable income below that same threshold, the two data sources are not reasonably compatible and **further verification is required as a condition of eligibility.**
- If the member reports income that is above a given threshold, the member-reported income information will be used to deny or terminate health care benefits, regardless of what the outcome would be from using information from the electronic data source. **Verification is not required.**

For members applying for or already enrolled in MAPP, reasonable compatibility policies will be applied to the MAPP eligibility test, which has a net income threshold of 250 percent of the Federal Poverty Level (FPL), and to the MAPP premium threshold of 150 percent of the FPL.

In addition to the reasonable compatibility policies above, for the MAPP premium threshold of 150 percent of the FPL, if a member reports gross income that is equal to or above the 150 percent of the FPL premium threshold, a reasonable compatibility test will not be performed and verification of earnings will be required. This difference in policy is due to the need to know the precise amount of the member’s income in order to determine the correct MAPP premium amount.

The following table summarizes the basic rules for determining reasonable compatibility for MAPP premiums:

<b>If total gross income using the monthly earnings amount reported by the member is:</b>	<b>And total gross income using the monthly earnings reported by SWICA or Equifax is:</b>	<b>Is it reasonably compatible?</b>
Below the MAPP premium threshold (150 percent of the FPL)	Below the MAPP premium threshold	Yes. Eligibility will be based on the member-reported earnings amount, and a premium will not be owed.
Below the MAPP premium threshold	At or above the MAPP premium threshold	No. Further verification must be requested.
At or above the MAPP premium threshold	At or above the MAPP premium threshold	A reasonable compatibility test was not done. Income must be verified for the correct premium amount to be determined.
At or above the MAPP premium threshold	Below the MAPP premium threshold	A reasonable compatibility test was not done. Income must be verified for the correct premium amount to be determined.

**Note:** The MAPP premium amount is based solely on the member’s income and not the spouse’s income, so verification of income to determine whether or not the member has to pay premiums may only be requested for the individual member. After verifying the income of the one member for the premium test, the income maintenance (IM) worker must check the combined income of both spouses to see if their income is still reasonably compatible for the MAPP eligibility test. If their income is no longer reasonably compatible, the IM worker must then request verification for the spouse’s income.

**Example 1:** Fred applies for MAPP in June. He and his wife, Lisa, both work. Fred states that his earned income is \$4,265 per month. Lisa makes \$1,865 per month, so their total earned income is \$6,130. The couple’s monthly net countable income, after the earned income and \$20 disregards, is \$3,012.50. Once the same disregards are applied, the SWICA matches for their income show a net monthly amount of \$3,200. Since both the reported net income and the SWICA net income for the couple are less than the 250 percent FPL eligibility threshold for MAPP (\$3,337.50 for a fiscal test group [FTG] of two), the couple’s reported income is reasonably compatible with the income reported by the electronic data source.

For the MAPP premium budget test, however, Fred’s gross earned income of \$4,265 puts him over the 150 percent FPL MAPP premium threshold (\$2,002.50 for a FTG of two). The IM worker sends a verification request for Fred’s income in order to accurately calculate his MAPP premium amount. The documentation received indicates that Fred’s gross earned income is \$4,865. Fred’s verified gross income plus Lisa’s claimed gross income equals a monthly gross income of \$6,730. After the appropriate disregards are calculated, their monthly net income is \$3,312.50, which is below the 250 percent FPL eligibility threshold for MAPP (\$3,337.50). However, once the SWICA income match for Lisa is added to Fred’s verified income, their net income is \$3,380, which is over the income limit. This means their income is no longer reasonably compatible with the SWICA results. The worker must now request verification of Lisa’s earnings for the MAPP eligibility test.

## **CARES**

### ***MAPP BUDGET PAGE***

Beginning June 27, 2016, the following changes to the MAPP budget page will appear in CWW after eligibility is run for MAPP.

#### ***ELIGIBILITY REASONABLE COMPATIBILITY RESULTS SECTION***

The MAPP Budget page in CWW will display reasonable compatibility results in a new section titled “Eligibility Reasonable Compatibility Results.” This section will show the MAPP assistance group’s reported and/or verified net countable income (shown as “Countable Net Income Amount [Actual]”), the net countable income from the SWICA or Equifax data sources monthly amounts, and the threshold that was used to determine whether the two amounts were reasonably compatible.

If the member reports income above 250 percent of the FPL, CWW will not perform a reasonable compatibility test and will not display the “Eligibility Reasonable Compatibility Results” section.

**Note:** The MAPP Budget page will use the assistance group’s net income for the 250 percent FPL eligibility reasonable compatibility test.

#### ***PREMIUM REASONABLE COMPATIBILITY RESULTS SECTION***

If a member passes the MAPP eligibility test, the MAPP Budget page will also display reasonable compatibility test results in a new section titled, “Premium Reasonable Compatibility Results.” This section will show the member’s reported and/or verified gross income, the countable income from the SWICA or Equifax data sources monthly amounts, and the threshold that was used to determine whether the two amounts were reasonably compatible.

If the member reports income at or above 150 percent of the FPL, the “Premium Reasonable Compatibility Results” section will still be displayed, but it will indicate that the reasonable compatibility test was not performed because income was over the threshold.

**Note:** The MAPP Budget page will use the member’s gross income for the premium reasonable compatibility test.

#### **Example 1**

In the example below, the member-reported countable net income amount is **less than** 250 percent of the FPL, and the electronic data source countable net income amount is **greater than** 250 percent of the FPL:

**MAPP Budget** Cancel  **Reset**

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**Assistance Group Overview**

Assistance Group:	MAP - MEDICAID PURCHASE PLAN	Sequence:	2
Benefit Begin Date:	07/01/2016	Benefit End Date:	
Determination Date:	06/03/2016		

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**Results**

Assistance Group Status:	P - PEND	Eligibility Status:	PENDING
MAPP Income Eligibility Test:	PENDING With Premium		

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**Fiscal Test Group**

Eligible Members:	1
Test Child Count: +	0
Income Spouse: +	1
<b>Assistance Group Size:</b>	<b>2</b>

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**Eligibility Determination**

Gross Earned Income:	\$ 4,250.00
Excess Self Employment Expenses: -	-
\$65 & 1/2 Disregard: -	2,157.50
Gross Unearned Income: +	2,700.00
Special Exempt Income: -	1,500.00
\$20 Disregard: -	20.00
Impairment Related Work Expenses: -	-
<b>Net Income:</b>	<b>\$ 3,272.50</b>
Eligibility Test FPL:	250%
Income Limit:	\$ 3,337.50

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**Premium Calculation**

Premium Test FPL:	150%
Premium Income Limit:	\$ 2,002.50
Premium Gross Income Amount:	4,250.00
Premium Net Income Amount:	102.42
Premium Required:	Y
Premium Amount:	100.00
Overage Amount: +	-
<b>Adjusted Premium Amount:</b>	<b>\$ 100.00</b>

---

**Eligibility Reasonable Compatibility Results** Expand All Collapse All

▼ Results

Countable Net Income Amount (Actual):	\$ 3,272.50
Countable Net Income Amount (Data Sources):	\$ 3,397.50
Data Sources Used:	FDSH

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**Individual Results**

Individual	Compatibility Threshold	Results
MARYMAPTEST1 67F WIF	\$ 3,337.50	Not Reasonably Compatible

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**Individual Income** Expand All Collapse All

► MARY MAPTEST1 67F WIF ( ELIGIBLE ADULT )

Premium Gross Income Amount:	\$ 4,250.00
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► BOB MAPTEST1 67M PP ( INCOME SPOUSE )

Premium Gross Income Amount:	\$ 2,700.00
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Sequence  Updated on or before MM / DD / YYYY

Cancel  **Previous** **Next**

Figure 1 MAPP Budget Page When the Reasonable Compatibility Test Is Performed

As a result, in the “Eligibility Reasonable Compatibility Results” section a “Not Reasonably Compatible” result will be displayed, and the “Premium Reasonable Compatibility Results” section will not be displayed. The IM worker will need to request verification for all income sources that were not already verified.

**Example 2**

In the example below, the member-reported countable net income amount is **greater than** 250 percent of the FPL:

**MAPP Budget** Cancel  Reset

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**Assistance Group Overview**

Assistance Group:	MAP - MEDICAID PURCHASE PLAN	Sequence:	2
Benefit Begin Date:	07/01/2016	Benefit End Date:	
Determination Date:	06/03/2016		

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**Results**

Assistance Group Status:	C - CLOSED	Eligibility Status:	FAIL
MAPP Income Eligibility Test:	FAIL Without Premium		

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**Fiscal Test Group**

Eligible Members:	1
Test Child Count: +	0
Income Spouse: +	1
<b>Assistance Group Size:</b>	<b>2</b>

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**Eligibility Determination**

Gross Earned Income:	\$ 4,000.00
Excess Self Employment Expenses: -	-
\$65 & 1/2 Disregard: -	2,032.50
Gross Unearned Income: +	3,500.00
Special Exempt Income: -	1,500.00
\$20 Disregard: -	20.00
Impairment Related Work Expenses: -	-
<b>Net Income:</b>	<b>\$ 3,947.50</b>
Eligibility Test FPL:	250%
Income Limit:	\$ 3,337.50

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**Premium Calculation**

Premium Test FPL:	150%
Premium Income Limit:	\$ 2,002.50
Premium Gross Income Amount:	4,000.00
Premium Net Income Amount:	-
Premium Required:	N
Premium Amount:	-
Overage Amount: +	-
<b>Adjusted Premium Amount:</b>	<b>\$ -</b>

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**Individual Income** Expand All Collapse All

▶ MARY MAPTEST1 67F WIF ( EXCLUDED ADULT )

Premium Gross Income Amount: \$ 4,000.00

▶ BOB MAPTEST1 67M PP ( INCOME SPOUSE )

Premium Gross Income Amount: \$ 3,500.00

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Sequence:  Updated on or before: MM / DD / YYYY Go

Add Case Comment Cancel  Previous Next

**Figure 2** MAPP Budget Page When the Reasonable Compatibility Test Is Not Performed

As a result, the reasonable compatibility test is not performed and the “Eligibility Reasonable Compatibility Results” section will not be displayed. The MAPP assistance group will fail for having income over 250 percent of the FPL.

**Example 3**

In the example below:

- The member-reported countable net income amount is **less than** 250 percent of the FPL.
- The electronic data source countable net income amount is **less than** 250 percent of the FPL.
- The member-reported individual gross income amount is **less than** 150 percent of the FPL.
- The electronic data source individual gross income amount is **less than** 150 percent of the FPL.

**MAPP Budget** Cancel  Reset

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**Assistance Group Overview**

Assistance Group: **MAP - MEDICAID PURCHASE PLAN**  Sequence: **2**  
Benefit Begin Date: **07/01/2016** Benefit End Date:  
Determination Date: **06/03/2016**

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**Results**

Assistance Group Status: **O - OPEN** Eligibility Status: **PASS**  
MAPP Income Eligibility Test: **PASS Without Premium**

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**Fiscal Test Group**

Eligible Members: **1**  
Test Child Count: + **0**  
Income Spouse: + **1**  
Assistance Group Size: **2**

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**Eligibility Determination**

Gross Earned Income:	<b>\$ 1,910.00</b>
Excess Self Employment Expenses: -	<b>—</b>
\$65 & 1/2 Disregard: -	<b>987.50</b>
Gross Unearned Income: +	<b>900.00</b>
Special Exempt Income: -	<b>1,500.00</b>
\$20 Disregard: -	<b>20.00</b>
Impairment Related Work Expenses: -	<b>—</b>
Net Income:	<b>\$ 302.50</b>
Eligibility Test FPL:	<b>250%</b>
Income Limit:	<b>\$ 3,337.50</b> <input type="button" value="..."/>

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**Premium Calculation**

Premium Test FPL:	<b>150%</b>
Premium Income Limit:	<b>\$ 2,002.50</b> <input type="button" value="..."/>
Premium Gross Income Amount:	<b>1,910.00</b>
Premium Net Income Amount:	<b>32.22</b>
Premium Required:	<b>N</b>
Premium Amount:	<b>—</b>
Overage Amount: +	<b>—</b>
Adjusted Premium Amount:	<b>\$ —</b>

---

**Eligibility Reasonable Compatibility Results**

▼ Results

Countable Net Income Amount (Actual): **\$ 302.50**  
Countable Net Income Amount (Data Sources): **\$ 325.00**   
Data Sources Used: **FDSH**

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**Individual Results**

Individual	Compatibility Threshold	Results
MARYMAPTEST167FWF	\$ 3,337.50	Reasonably Compatible 

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**Premium Reasonable Compatibility Results**

▼ Results

Premium Gross Income Amount (Actual): **\$ 1,910.00**  
Premium Gross Income Amount (Data Sources): **\$ 1,955.00**   
Data Sources Used: **FDSH**

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**Individual Results**

Individual	Compatibility Threshold	Results
MARYMAPTEST167FWF	\$ 2,002.50	Reasonably Compatible 

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**Individual Income**

► MARY MAPTEST167FWIF ( ELIGIBLE ADULT )  
Premium Gross Income Amount: **\$ 1,910.00**

► BOB MAPTEST167M PP ( INCOME SPOUSE )  
Premium Gross Income Amount: **\$ 900.00**

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Cancel

Figure 3 MAPP Budget Page When Both Eligibility and Premium Results Are Reasonably Compatible

As a result, in both the “Eligibility Reasonable Compatibility Results” and “Premium Reasonable Compatibility Results” sections, a “Reasonably Compatible” result will be displayed. The IM worker will not need to request verification.

#### **Example 4**

In the example below:

- The member-reported countable net income amount is **less than** 250 percent of the FPL.
- The electronic data source countable net income amount is **less than** 250 percent of the FPL.
- The member-reported individual gross income amount is **less than** 150 percent of the FPL.
- The electronic data source individual gross income amount is **greater than** 150 percent of the FPL.

**MAPP Budget**
Cancel  Reset

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**Assistance Group Overview**

Assistance Group:	MAP - MEDICAID PURCHASE PLAN	Sequence:	2
Benefit Begin Date:	07/01/2016	Benefit End Date:	
Determination Date:	06/03/2016		

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**Results**

Assistance Group Status:	P - PEND	Eligibility Status:	PENDING
MAPP Income Eligibility Test:	PENDING Without Premium		

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**Fiscal Test Group**

Eligible Members:	1
Test Child Count: +	0
Income Spouse: +	1
Assistance Group Size:	2

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**Eligibility Determination**

Gross Earned Income:	\$ 1,910.00
Excess Self Employment Expenses: -	-
\$65 & 1/2 Disregard: -	987.50
Gross Unearned Income: +	900.00
Special Exempt Income: -	1,500.00
\$20 Disregard: -	20.00
Impairment Related Work Expenses: -	-
Net Income:	\$ 302.50
Eligibility Test FPL:	250%
Income Limit:	\$ 3,337.50

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**Premium Calculation**

Premium Test FPL:	150%
Premium Income Limit:	\$ 2,002.50
Premium Gross Income Amount:	1,910.00
Premium Net Income Amount:	32.22
Premium Required:	N
Premium Amount:	-
Overage Amount: +	-
Adjusted Premium Amount:	\$ -

---

**Eligibility Reasonable Compatibility Results**
Expand All Collapse All

**Results**

Countable Net Income Amount (Actual):	\$ 302.50
Countable Net Income Amount (Data Sources):	\$ 647.50
Data Sources Used:	FDSH

---

**Individual Results**

Individual	Compatibility Threshold	Results
MARYMAPTEST1 67F WIF	\$ 3,337.50	Reasonably Compatible

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**Premium Reasonable Compatibility Results**
Expand All Collapse All

**Results**

Premium Gross Income Amount (Actual):	\$ 1,910.00
Premium Gross Income Amount (Data Sources):	\$ 2,600.00
Data Sources Used:	FDSH

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**Individual Results**

Individual	Compatibility Threshold	Results
MARYMAPTEST1 67F WIF	\$ 2,002.50	Not Reasonably Compatible

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**Individual Income**
Expand All Collapse All

**MARY MAPTEST1 67F WIF ( ELIGIBLE ADULT )**

Premium Gross Income Amount:	\$ 1,910.00
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**BOB MAPTEST1 67M PP ( INCOME SPOUSE )**

Premium Gross Income Amount:	\$ 900.00
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Sequence  Updated on or before MM / DD / YYYY

Add Case Comment
Cancel  Previous Next

Figure 4 MAPP Budget Page When Eligibility Results Are Reasonably Compatible but Premium Results Are Not

As a result, in the “Eligibility Reasonable Compatibility Results” section a “Reasonably Compatible” result will be displayed and in the “Premium Reasonable Compatibility Results” section a “Not Reasonably Compatible” result will be displayed. The IM worker will only need to request verification for the income considered for the premium test.

### **Example 5**

In the example below:

- The member-reported countable net income amount is **less than** 250 percent of the FPL.
- The electronic data source countable net income amount is **less than** 250 percent of the FPL.
- The member-reported individual gross income amount is **greater than** 150 percent of the FPL.
- The electronic data source individual gross income amount is **less than** 150 percent of the FPL.  
(The same result would also display if the electronic data source gross income amount was greater than or equal to 150 percent of the FPL.)

**MAPP Budget** Cancel  **Reset**

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**Assistance Group Overview**

Assistance Group: **MAP - MEDICAID PURCHASE PLAN** Sequence: **2**  
Benefit Begin Date: **07/01/2016** Benefit End Date:  
Determination Date: **06/03/2016**

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**Results**

Assistance Group Status: **P - PEND** Eligibility Status: **PENDING**  
MAPP Income Eligibility Test: **PENDING With Premium**

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**Fiscal Test Group**

Eligible Members: **1**  
Test Child Count: + **0**  
Income Spouse: + **1**  
Assistance Group Size: **2**

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**Eligibility Determination**

Gross Earned Income: **\$ 2,500.00**  
Excess Self Employment Expenses: - **—**  
\$65 & 1/2 Disregard: - **1,282.50**  
Gross Unearned Income: + **900.00**  
Special Exempt Income: - **1,500.00**  
\$20 Disregard: - **20.00**  
Impairment Related Work Expense: - **—**  
Net Income: **\$ 597.50**  
Eligibility Test FPL: **250%**  
Income Limit: **\$ 3,337.50**

---

**Premium Calculation**

Premium Test FPL: **150%**  
Premium Income Limit: **\$ 2,002.50**  
Premium Gross Income Amount: **2,500.00**  
Premium Net Income Amount: **49.92**  
Premium Required: **Y**  
Premium Amount: **25.00**  
Overage Amount: + **—**  
Adjusted Premium Amount: **\$ 25.00**

---

**Eligibility Reasonable Compatibility Results** Expand All Collapse All

Results

Countable Net Income Amount (Actual): **\$ 597.50**  
Countable Net Income Amount (Data Sources): **\$ 797.50**   
Data Sources Used: **FDSH**

---

**Individual Results**

Individual	Compatibility Threshold	Results
MARYMAPTEST1 67F WIF	\$ 3,337.50	Reasonably Compatible

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**Premium Reasonable Compatibility Results** Expand All Collapse All

Results

Premium Gross Income Amount: **\$ 2,500.00**

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**Individual Results**

Individual	Compatibility Threshold	Results
MARYMAPTEST1 67F WIF	\$ 2,002.50	Test Not Performed - Income Above Threshold

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**Individual Income** Expand All Collapse All

► MARY MAPTEST1 67F WIF ( ELIGIBLE ADULT )  
Premium Gross Income Amount: **\$ 2,500.00**

► BOB MAPTEST1 67M PP ( INCOME SPOUSE )  
Premium Gross Income Amount: **\$ 900.00**

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Sequence  Updated on or before MM/DD/YYYY

Cancel  **Previous** **Next**

Figure 5 MAPP Budget Page When Reported Income Is Higher Than the Premium Threshold

As a result, a reasonable compatibility test was not performed. The IM worker will need to request verification for the income being used for the premium test.

## ***PROCESS***

Starting June 27, 2016, workers should refer to the “Eligibility Reasonable Compatibility Results” and “Premium Reasonable Compatibility Results” sections on the MAPP Budget page to determine if a member is eligible for MAPP even if there is a verification code on the Employment page that would normally cause the MAPP assistance group to pend or fail (for example, ?, Q?, QV, or NV):

- If the result is “Not Reasonably Compatible,” the MAPP assistance group should pend or fail based on the verification code entered on the Employment page.
- If the result is “Reasonably Compatible,” verification is not required for health care for that member, and CARES will disregard the verification code on the Employment page when determining eligibility for MAPP.
- If the result is “Test Not Performed—Above Threshold,” the MAPP assistance group should pend or fail based on the verification code entered on the Employment page.

In some cases, reasonable compatibility tests will not appear on the MAPP Budget page. This will occur if:

- There were no electronic data sources for the earnings.
- The member’s earned income has been verified.
- The member’s earned income has been verified, but his or her spouse’s earned income has not. If the couple’s earned income is reasonably compatible with the income from the electronic data sources for the MAPP eligibility test, the “Eligibility Reasonable Compatibility Results” section on the MAPP Budget page will display results. If the income for the member requesting MAPP has already been verified, the “Premium Reasonable Compatibility Results” section will not display any results.

## **CONTACTS**

BEPS CARES Information and Problem Resolution Center

DHS/DHCAA/BEPS/JL