



Date: November 9, 2018

DMS Operations Memo 18-47

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

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

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Division of Medicaid Services

Premiums No Longer Required for BadgerCare Plus Extensions

CROSS REFERENCE

BadgerCare Plus Eligibility Handbook, [Chapter 18 BadgerCare Plus Extensions](#) and [Chapter 19 Premiums](#)

EFFECTIVE DATE

January 1, 2019

PURPOSE

This operations memo announces a change to the policy regarding BadgerCare Plus extensions. Monthly premiums will no longer be required for parents and caretakers enrolled in an extension starting with the benefit month of January 2019.

BACKGROUND

BadgerCare Plus members who are a parent or caretaker and the children under their care may be eligible for a BadgerCare Plus extension if the assistance group's (AG) income increases above 100 percent of the federal poverty level (FPL) due to an increase in earned income or spousal support income:

- For extensions based on an increase in earned income, member eligibility is extended for a fixed period of 12 months, regardless of the household income.
- For extensions based on increases in spousal support, eligibility is extended for a fixed period of four months, regardless of the household income.

This policy is also referred to as Transitional Medical Assistance.

Currently, some parents and caretakers are required to pay a monthly premium to become or remain eligible for a BadgerCare Plus extension. A member who does not pay required premiums is subject to a restrictive re-enrollment period (RRP).

Wisconsin's authority to require some BadgerCare Plus extension members to pay a premium comes from a Section 1115 demonstration waiver. Section 1115 of the Social Security Act allows the Center for Medicare & Medicaid Services (CMS) to approve experimental or demonstration projects that give states flexibility to design their Medicaid programs in order to promote the objectives of the Medicaid program and evaluate ways to better serve members. CMS has informed Wisconsin that it will not allow premium requirements for members in extensions beyond calendar year 2018. Starting January 1, 2019, BadgerCare Plus extension members will not be required to pay premiums and will no longer be subject to RRP's due to nonpayment of premiums.

POLICY

Starting with the benefit month of January 2019, premiums will no longer be required for parents and caretakers enrolled in a BadgerCare Plus extension. The policy regarding eligibility for a BadgerCare Plus extension will not change except as detailed in this memo.

INCOME VERIFICATION

There will continue to be no upper income limit for BadgerCare Plus extension eligibility. Currently, income must be verified when determining if a member is eligible for a BadgerCare Plus extension and if income changes while the member is in an extension. This verification is required in order to determine the premium amount. Starting with the benefit month of January 2019, premiums will no longer be required for BadgerCare Plus extensions, so income will no longer need to be verified for eligibility in a BadgerCare Plus extension. If a member reports income over 100% of the FPL, the reported income will be used to determine eligibility for a BadgerCare Plus extension.

Example 1: Marco and his daughter Lora are open for regular BadgerCare Plus (not an extension) with income at 80% of the FPL. Marco reports that his earned income increased to 150% of the FPL. Marco and Lora's eligibility for BadgerCare Plus under an extension is determined using the reported income of 150% of the FPL. Marco and Lora are not required to verify this earned income.

Note: The household may still be required to verify the income change if other people in the household are eligible for other categories of BadgerCare Plus or other programs. However, failure to verify income for those other people or programs will not affect eligibility for the BadgerCare Plus extension.

Example 2: Janine and her son, Zachary, are open for BadgerCare Plus under an extension, and her daughter, Amy, is open for regular BadgerCare Plus (not an extension). Janine reports an increase in income. She will be required to verify her new income since her income is counted when determining Amy's BadgerCare Plus eligibility.

PREMIUMS FOR CHILDREN WITH INCOME HIGHER THAN 201% OF THE FPL

Some children in regular BadgerCare Plus (not an extension) with countable income higher than 201% of the FPL are required to pay a premium. These children will continue to have a premium.

In rare instances, a child in regular BadgerCare Plus (not an extension) is in the same household as parents or caretakers who are in a BadgerCare Plus extension. Currently, if a parent or caretaker in a BadgerCare Plus extension is required to pay a premium, then their child is exempt from paying a premium. Effective for eligibility beginning January 2019, the child will no longer be exempt from paying a premium. Instead, the household will be required to pay the child's premium in order for the child to be eligible for BadgerCare Plus.

Example 3: Roger lives with his son, Sam, and they are open for BadgerCare Plus under an extension. Roger is required to pay a premium. In October 2018, Roger's other son, Justin, moves into the household. Justin is determined eligible for regular BadgerCare Plus as a child because he does not meet the requirements to be eligible under the extension with Roger and Sam. Roger and Sam continue to be eligible under the extension. The household income is 230% of the FPL. Justin would normally have a premium of \$10 but since Roger is paying a premium as part of his eligibility under the extension, Justin's premium is waived.

Starting in January 2019, Roger no longer has to pay a premium. Justin's premium is no longer waived. The household will now have to pay the \$10 premium for Justin to remain eligible for regular BadgerCare Plus.

RESTRICTIVE RE-ENROLLMENT PERIODS

Since premiums will no longer be required starting January 2019, parents and caretakers in a BadgerCare Plus extension will no longer be subject to a restrictive re-enrollment period (RRP) due to nonpayment of premiums.

Existing RRP's will be ended as of January 1, 2019. New RRP's will not be created for parents and caretakers in extensions who do not pay their December 2018 premium. However, members who were in an RRP as of December 2018 will not be automatically re-enrolled in the BadgerCare Plus extension. Members can request to be re-enrolled in the BadgerCare Plus extension without a premium starting January 1, 2019, if the extension has not yet expired. If the member wants eligibility for months in 2018 during the RRP, the member will need to pay owed premiums for those months. In addition, all other requirements listed in [BadgerCare Plus Handbook, Section 19.11.2.2 Adults Age 19 and Older](#) must be met in order to reinstate benefits.

Example 4: Barbara is enrolled in a BadgerCare Plus extension that started August 1, 2018. Barbara does not pay her premium for October 2018, so she is put into an RRP starting November 1, 2018. On January 5, 2019, Barbara contacts her income maintenance (IM) agency and requests to re-open for BadgerCare Plus starting January 1, 2019. Barbara does not need to pay any premiums for January. If Barbara requested eligibility for November and December 2018, she would need to pay her owed premiums before becoming eligible for those months.

CARES

NEW EXTENSIONS

On November 17, 2018, CARES will be updated to assign parents and caretakers who become eligible under a BadgerCare Plus extension as of January 2019 to med stat codes JM (adults in an earned income extension) or JJ (adults in a spousal support extension). These members will not have premiums. The med stat codes JM and JJ are currently used for parents and caretakers in an extension who are exempt from paying a premium during the extension (MAGE AG). When manually certifying parents and caretakers for a BadgerCare Plus extension, IM workers must use JM and JJ starting January 1, 2019.

Note: The med stat codes 9R, 9S, JC, and JL, which are currently used for parents and caretakers in a BadgerCare Plus extension who are required to pay a premium (MAGM AG), will have an end date in interChange of December 31, 2018.

CARES will also not require income to be verified when determining if the member is eligible for BadgerCare Plus under an extension starting January 1, 2019. If a member reports income over 100% of the FPL, CARES will determine if the member is eligible for a BadgerCare Plus extension regardless of the status indicated in the verification fields for income.

- If the member meets the requirements to be eligible for an extension, CARES will open the extension.
- If the member does not meet the requirements to be eligible for an extension, CARES will end the member's BadgerCare Plus eligibility due to being over the income limit for regular BadgerCare Plus.

LETTERS CONCERNING PREMIUM PAYMENT

On November 26, 2018, the following letters concerning premium payment will be sent:

- A letter to households with a parent or caretaker in a BadgerCare Plus extension, including those that are required to pay a premium and those not required to pay a premium until the seventh month of their extension certification period. This letter will inform the member that they will no longer be required to pay a premium starting with the benefit month of January 2019 in order to remain open for BadgerCare Plus under an extension.
- A letter to households with a parent or caretaker in a BadgerCare Plus extension who has a child in the home who is in regular BadgerCare Plus with countable income higher than 201% of the FPL. This letter will state the parent or caretaker will no longer be required to pay a premium for eligibility as of January 2019, but the household will be required to pay the child's premium in order for the child to be eligible for BadgerCare Plus.
- A letter to households with a parent or caretaker who is in the first or second month of an RRP in December 2018. The letter will inform the parent or caretaker that they can contact their IM agency to request to be re-enrolled in their BadgerCare Plus extension.

CONVERSION OF EXISTING EXTENSIONS

On December 1, 2018, members who are already eligible under an existing BadgerCare Plus extension and are subject to a premium requirement will go through a conversion process in CARES to move them into med stat code JM or JJ and to generate notices ending their current premium requirement effective January 1, 2019. This conversion will also trigger premiums that will be owed for some children in MAGC AG's with incomes over 201% FPL beginning in January.

IM agencies will be expected to run eligibility online before adverse action in December for those cases that exception out of the conversion.

If a member has been paying a premium, the member will receive a notice of decision stating that they no longer have to pay a premium for a BadgerCare Plus extension starting January 1, 2019.

Members will no longer receive a premium coupon in the mail starting with benefit month January 2019 unless another person in the household must still pay a premium for regular BadgerCare Plus (not an extension) or another health care program.

NEW REASON CODE

On November 17, 2018, CARES will be updated to include a new reason code, **761**, to display when running eligibility if both of the following conditions are met:

- The BadgerCare Plus extension was closed previously due to an RRP.
- The member has not subsequently re-requested BadgerCare Plus.

The short description for 761 is: Individual has not re-requested BC+.

The long description for 761 is: Your BadgerCare Plus ended because you did not pay your premiums on time when premiums were required. Contact your agency if you want to enroll in BadgerCare Plus again.

CONTACTS

BEPS CARES Information and Problem Resolution Center

DHS/DMS/BEPS/RW