



Date: May 30, 2019

DMS Operations Memo 19-20

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	

From: Debbie Waite, Deputy Bureau Director
Bureau of Enrollment Policy and Systems
Division of Medicaid Services
Department of Health Services

**Enhancements to CARES Worker Web for the Budgeting of Income
for BadgerCare Plus and Family Planning Only Services**

CROSS REFERENCE

- Operations Memo [18-05](#)
- BadgerCare Plus Eligibility Handbook, [Section 16.5 Other Income](#)
- Process Help, [Section 10.3.5.2 MAGI Group Income](#) and [Section 10.3.6 Family Planning Only Services MAGI Budget](#)

EFFECTIVE DATE

July 1, 2019

PURPOSE

This operations memo announces enhancements to CARES Worker Web (CWW) made to comply with federal and state health care policies. Effective July 1, 2019, Social Security income will be offset by BadgerCare Plus deductions, self-employment losses, and other unearned income losses in the budgeting of income for BadgerCare Plus and Family Planning Only Services (FPOS).

BACKGROUND

Social Security income is gross benefits paid before the deduction of any Medicare premiums. Although generally not taxable, Social Security income must be counted as unearned income in the month it is received under Modified Adjusted Gross Income (MAGI) budgeting rules.

The policy regarding the budgeting of Social Security income has changed in recent years:

- Prior to April 2018, Social Security income was offset by BadgerCare Plus deductions, self-employment losses, and other losses in the calculation of countable income.

- This policy was changed in response to guidance from the Centers for Medicare & Medicaid Services (CMS). From April 2018 to June 2019, Social Security income was not offset by self-employment losses, other unearned income losses, and BadgerCare Plus income tax deductions (though other income was offset by those deductions).

CMS has issued new guidance directing states to allow losses and deductions to be deducted from Social Security income. Effective July 1, 2019, self-employment losses, other unearned income losses, and BadgerCare Plus income tax deductions will be deducted from Social Security income (the same policy that applied before April 2018). To support this, BadgerCare Plus and FPOS MAGI Budget pages in CWW will be enhanced to reflect this policy in the calculation of countable income.

POLICY

Effective July 1, 2019, BadgerCare Plus and FPOS eligibility will be determined by:

- Adding together all income, including Social Security income
- Subtracting all applicable deductions and losses (including self-employment income losses)

CARES

On MAGI Budget pages, MAGI budgeting logic will determine eligibility and premium amounts, depending on the timeframe of the request.

APRIL 2018 TO JUNE 2019

Eligibility determinations made from April 2018 to June 2019 will apply the logic described on Page 4 of [Operations Memo 18-05, "Policy Changes and CARES Enhancements to Comply With Federal and State Health Care Laws and Regulations."](#) Social Security income will be added separately from unearned income when calculating the final countable income for each group.

MAGI Group Income	
Group 1	
Employment Earned Income:	\$ 0.00
Self-Employment Profit (or Loss): +	1,200.00
Unearned Income (or Loss): +	0.00
Deduction: -	0.00
Countable Income w/o Social Security:	\$ 1,200.00
Social Security Income: +	0.00
Countable Income:	\$ 1,200.00

Figure 1 MAGI Group Section April 2018 to June 2019

PRIOR TO APRIL 2018 AND AFTER JUNE 2019

Eligibility determinations made for benefit months before April 2018 or after June 2019 will include Social Security income types in the Unearned Income (or Loss) amount.

MAGI Group Income	
Group 1	
Employment Earned Income:	\$ 0.00
Self Employment Profit (or Loss): +	0.00
Unearned Income (or Loss): +	1,500.00
Deduction: -	0.00
Countable Income:	\$ 1,500.00

Figure 2 MAGI Group Section Pre-April 2018 and Post-June 2019

Social Security income will no longer be listed under a separate line in the “Individual Income” section of MAGI Budget pages.

Individual Income		▼ Expand All	▶ Collapse All
Employment Earned Income:	\$ 3,092.00		
Self Employment Profit (or Loss): +	0.00		
Unearned Income (or Loss): +	0.00		
Deduction: -	0.00		

Figure 3 MAGI Group Section Pre-April 2018 and Post-June 2019

If determining eligibility for months prior to July 2019 (for example, backdated eligibility), the previous Social Security budgeting rules will apply.

Example: Arnold (age 63) has received \$500 per month of Social Security income since June 2018. He also reports self-employment income of \$200 per month and losses of \$300 per month. On July 10, 2019, Arnold requests health care benefits, including backdated benefits for the months of May and June 2019.

When his eligibility is determined for the months of May and June, his self-employment will be zeroed out and his Social Security income will then be added.

	\$0	Countable self-employment income
+	\$500	Social Security income
	<hr/>	
	\$500	Total countable income

In July and ongoing, Arnold’s eligibility determination will allow his self-employment losses to be subtracted from his Social Security income.

-	\$100	Countable self-employment income
+	\$500	Social Security income
	<hr/>	
	\$400	Total countable income

DMS Operations Memo 19-20

May 30, 2019

Page 4 of 4

Ongoing cases with Social Security on file will have their eligibility redetermined through a mass change on June 22, 2019. Members will be notified of any impact to their eligibility or premium amount.

A report of impacted cases that had applications as of June 22, 2019, and open cases with parents or caretakers who were denied or terminated for the July benefit month due to excess income with Social Security on file, will be provided to consortia. Workers will need to re-run eligibility for these cases for July 2019 and ongoing.

CONTACTS

BEPS CARES Information and Problem Resolution Center

DHS/DMS/BEPS/NH