



Date: June 10, 2020

DMS Operations Memo 20-16

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 checked="" type="checkbox"/> Medicaid        |  |
| <input type="checkbox"/> SeniorCare                 |  |

From: Rebecca McAtee, Bureau Director  
Bureau of Enrollment Policy and Systems  
Division of Medicaid Services

**Changes to Health Care Deductibles**

**CROSS REFERENCE**

- BadgerCare Plus Handbook, [Chapter 17 Deductibles](#)
- Medicaid Eligibility Handbook, [Chapter 24 SSI-Related Medicaid and Deductibles](#)
- Process Help, [Chapter 19 Medicaid Deductibles](#) and [Chapter 22 BadgerCare Plus Deductibles](#)
- 42 CFR 435.831
- Wis. Stat. §49.47(4)(c)2

**EFFECTIVE DATE**

July 1, 2020

**PURPOSE**

This operations memo announces changes to BadgerCare Plus and Medicaid deductible policies.

**BACKGROUND**

Beginning on June 29, 2020, workers will use a new page in CARES Worker Web to set deductible periods and amounts, track bills and payments used to meet deductibles, and confirm eligibility when deductibles are met. Workers will be required to set the deductible period and deductible amount immediately after confirming a BadgerCare Plus or Medicaid deductible assistance group. Workers will no longer use CARES Mainframe transactions AGMD and AGTM. This memo is intended to help prepare income maintenance workers for these changes and clarify the policy that underlies the implementation in CARES.

## **POLICY**

There will be changes to policy regarding how health care deductible periods are established and how deductible amounts and eligibility are affected when financial or non-financial changes are reported during an established deductible period. The new policies will apply to deductibles existing or created as of July 1, 2020.

There are no changes to policy regarding who may become eligible for health care benefits after meeting a deductible or how deductibles can be met.

### ***DEDUCTIBLE PERIOD BEGIN MONTH***

The deductible period for BadgerCare Plus and Medicaid is a period of six consecutive months. Applicants can choose to begin the deductible period as early as three months before the month of application. Prior to the changes announced in this memo, deductible periods could begin as late as the month of application. Effective July 1, 2020, deductible periods may begin as late as the month after the month of application.

**Example 1:** Irene applies for health care benefits in June with a three month backdate request to March. The worker determines that she could become eligible for Medicaid after meeting a deductible. Irene may choose to begin her six-month deductible period in March, April, May, June, or July.

### ***DEDUCTIBLE PERIODS AND EXCESS ASSETS***

Prior to the changes announced in this memo, Medicaid deductible periods could not include any months when the assistance group would be ineligible for Medicaid due to excess assets. Effective July 1, 2020, Medicaid deductible periods may include months when the assistance group is ineligible due to excess assets, as long as the assistance group does not exceed the asset limit in the initial month of the deductible period.

Count the excess income during months when the Medicaid assistance group has excess assets towards the six-month deductible amount.

**Example 2:** Marlon applies for Medicaid in April with a three month backdate request for January, February, and March. It was verified that Marlon was below the \$2,000 Medicaid asset limit for the months of January and April, but over the asset limit for the months of February and March. CARES will allow the worker to establish a six-month deductible period for him starting in January, April, or May (but not starting in February or March). Marlon chooses a six-month deductible period from January through June. The deductible amount is determined using Marlon's excess income during all six months of the established deductible period.

If a Medicaid assistance group meets the deductible, the certification period must not include any months when the group is ineligible for Medicaid due to excess assets. If a Medicaid assistance group meets the deductible during a month when they had excess assets, the assistance group will not be certified for Medicaid on the date the deductible was met. If a decrease in assets during the same deductible period is later reported, the assistance group may be certified for Medicaid on the first day of the month when their assets are verified to be below the asset limit (but not before the date when the deductible was met).

**Example 3:** In the example above, Marlon's deductible period goes from January through June. When Marlon later submits his medical bills, the worker determines that he met the deductible on January 19. Marlon should be certified for Medicaid from January 19 through January 31, and April 1 through June 30. There is no Medicaid eligibility for February and March due to the excess assets he had those months.

### ***DEDUCTIBLE PERIODS FOR BADGERCARE PLUS CHILDREN***

Prior to the changes announced in this memo, when a child applied for health care benefits and it was determined that the child could become eligible for BadgerCare Plus after meeting a deductible, the Notice of Decision instructed the household to contact the agency in order to establish a deductible period and amount for the child. Effective July 1, 2020, workers must determine a deductible period and amount for all children who apply for BadgerCare Plus but are ineligible either for having access to employer sponsored health insurance or for having income over 306 percent of the federal poverty level (FPL). Deductibles for these children will no longer be limited to families who request deductible eligibility. The child's six-month deductible period and amount will be printed on the Notice of Decision along with information about how to meet the deductible.

### ***INCOME INCREASES WHEN THERE IS AN UNMET DEDUCTIBLE***

Prior to the changes announced in this memo, workers were required to recalculate the deductible amount when an income increase was reported for an unmet deductible assistance group. Effective July 1, 2020, the policy will be the same for met and unmet deductibles regarding changes that would increase the deductible amount. The deductible amount will no longer be increased when an unmet deductible assistance group has an increase in income or a decrease in deductions, or when the group size decreases. Once a deductible period and deductible amount are established, the deductible amount will never increase during the same deductible period. Any reported change that would result in an increase in the deductible amount will be disregarded by CARES, even if the worker runs with dates, whether or not the assistance group has already met the deductible.

**Example 4:** Mary has a deductible period from May through October, with an unmet deductible amount of \$1,530. In June, she reports that she received a raise at her job and now makes an additional \$150 a month. The worker updates the case to reflect this change. When eligibility is run, Mary's deductible amount will remain \$1,530 because, once a deductible period and amount are established, CARES will not allow the deductible amount to increase within the same deductible period.

### ***ASSET CHANGES AFTER A DEDUCTIBLE HAS BEEN MET***

Prior to the changes announced in this memo, if a Medicaid assistance group that has met their deductible reported an increase in assets that put them over the asset limit during that same deductible period, their eligibility was ended for the remainder of the deductible period.

Effective July 1, 2020, if a Medicaid assistance group acquires excess assets during the deductible period after meeting the deductible, workers will still end eligibility (with timely notice) for the remainder of the deductible period. However, if the assistance group's assets drop to or below the asset limit before the end of the deductible period, eligibility must continue for the remainder of the

deductible period (or until the group exceeds the asset limit again or loses eligibility for a non-financial reason).

**Example 5:** Al has a deductible period from January through June. He meets the deductible on January 20. On March 10, Al reports that he has inherited \$5,000. Eligibility should be terminated as of March 31. On May 29, Al reports and verifies that his assets are now less than \$2,000. The worker needs to reopen eligibility for the remainder of the deductible period from May 1 through June 30.

### ***NON-FINANCIAL CHANGES AFTER A DEDUCTIBLE HAS BEEN MET***

Prior to the changes announced in this memo, if a Medicaid or BadgerCare Plus assistance group that has met their deductible had a non-financial change that caused them to lose eligibility (such as moving out of Wisconsin) during that same deductible period, their eligibility was ended for the remainder of the deductible period. If the group later became non-financially eligible again before the end of the deductible period, the assistance group had the option to either reapply and begin a new deductible period or continue eligibility for the remainder of the original deductible period.

Effective July 1, 2020, if an assistance group becomes ineligible for a non-financial reason after meeting the deductible, workers will still end eligibility (with timely notice) for the remainder of the deductible period. However, if the assistance group later becomes eligible again during the same deductible period, eligibility must continue for the remainder of the deductible period (or until the group loses eligibility for any reason). The assistance group will no longer have the option to begin a new deductible period in this situation.

### **CONTACTS**

BEPS CARES Information and Problem Resolution Center

DHS/DMS/BEPS/JL