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TO: **Income Maintenance Supervisors**
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Workforce Development Boards
Job Center Leads and Managers
Training Staff
Child Care Coordinators

FROM: Shawn Smith, Bureau Director
Bureau of Enrollment Policy & Systems
Division of Health Care Access and Accountability

SUBJECT: "Gap filling" referrals from the Marketplace

DHS OPERATIONS MEMO

No: DHS 14-41

DATE: SEPTEMBER 24, 2014

FS	<input type="checkbox"/>	MA	<input checked="" type="checkbox"/>	BC+	<input checked="" type="checkbox"/>
SC	<input type="checkbox"/>	CTS	<input type="checkbox"/>	FSET	<input type="checkbox"/>

EFFECTIVE DATE: January 1, 2014

PURPOSE:

This memo describes a new policy and process to address differences in eligibility criteria between BadgerCare Plus (BC+) and the Marketplace.

BACKGROUND:

As described in [Operations Memo 13-32](#), the federal Patient Protection and Affordable Care Act established the Federally Facilitated Marketplace (also known as the Exchange or FFM). The Marketplace offers private health insurance to individuals and families, as well as Advance Premium Tax Credits (APTCs). These tax credits lower premium payments for people between 100% and 400% of the Federal Poverty Level (FPL) who are not eligible for BC+ or Medicaid (MA), if they purchase private health insurance through the Marketplace.

When determining eligibility for APTCs, the FFM uses a set of rules, referred to as IRS "36B" rules, that are similar to but not identical to the Modified Adjusted Gross Income (MAGI) rules that are used for determining BC+ eligibility.

Unlike MAGI rules, which base eligibility on current monthly income, 36B rules consider annual income when determining an individual's eligibility. As a result, the FFM may find someone to be below 100% FPL based on their annual income, while BC+ may find someone to be above 100% FPL based on their current monthly income. Because of this difference in eligibility rules, the individual is eligible for neither BC+ nor APTCs. For applicants who fall into this eligibility "gap", the only option is to pay for the full cost of private health insurance through the Marketplace.

To address this gap between MAGI rules and 36B rules, CMS has indicated that if a state denies someone based on current monthly income above 100% FPL, but the FFM subsequently determines that they are below 100% FPL based on 36B rules, the FFM will send this application to the state as a "gap filling" referral. States are then required to certify applicants for Medicaid (or in Wisconsin's case, BC+) based on a monthly equivalent of their expected annual income.

Although CMS has indicated that it is sending gap filling referrals to states, Wisconsin has not received any such referrals to date. However, IM consortia have and will continue to encounter applicants who meet the basic criteria for gap filling. In this situation, IM consortia should contact the CARES Call Center when an individual has applied at the Marketplace and has received a notice indicating that they can purchase health insurance but cannot get an APTC, but has also applied for BC+ and been denied because of monthly income above 100% FPL.

The CARES Call Center will confirm whether the individual meets the criteria for gap filling certification. If so, the CARES Call Center will add a case comment to CWW. EM CAPO will then manually certify the member, track his or her individual enrollment outside of CWW, and serve as the point of contact for that member's eligibility under gap filling rules. The EM CAPO will send a notice of decision informing the individual of his or her eligibility and change reporting rules. Changes for that individual will be reported to and processed by the EM CAPO while s/he is eligible under gap filling rules.

The case itself will remain with the consortium, which will manage eligibility for other programs or individuals who may be open as part of that case.

Because the Marketplace considers annual income on a calendar-year basis, the manual gap-filling certification will last until the end of the calendar year. Approximately 45 days prior to the end of the year, members will receive a manual notice from EM CAPO advising them that their eligibility is ending and directing them to return to the Marketplace (or, if appropriate, reapply for BC+). A gap-filling member can also lose eligibility during the certification period if:

- S/he moves out of state; or,
- S/he has expected annual income of more than 100% FPL.

In addition, EM CAPO will end the gap-filling certification if the member has become eligible in another category of BC+ or MA.

In the future, Wisconsin may receive account transfers from the FFM that are identified as "gap filling" referrals. Depending on the volume of these referrals, DHS may maintain a manual process or update CARES to automate processing of gap filling referrals.

CARES:

There are no changes to CARES at this time.

CONTACTS:

BEPS CARES Information & 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