Title of Rule:	Revision to the Medical Assistance Eligibility Determination Rule Concerning the Medicaid Buy-In Program for Working Adults with Disabilities and the Medicaid Buy-In Program for Children with Disabilities, Section 8.100.6.P and Section 8.100.6.Q
Rule Number:	MSB 14-12-03-A
Division / Contact / Phone:	Eligibility Division / Beverly Hirsekorn / 303-866-6320

STATEMENT OF BASIS AND PURPOSE

1. Summary of the basis and purpose for the rule or rule change. (State what the rule says or does and explain why the rule or rule change is necessary).

   This rule amendment intends to enhance the consumer experience allowing ample time to inform clients about their Buy-In eligibility prior to charging premiums. The rule allows an individual to dis-enroll from a Buy-In program.

2. An emergency rule-making is imperatively necessary

   ☐ to comply with state or federal law or federal regulation and/or

   ☐ for the preservation of public health, safety and welfare.

   Explain:

3. Federal authority for the Rule, if any:

   Sections 1902(a)(10)(A)(ii)(XV), (XVI) and 1916(g) of the Social Security Act for the Medicaid Buy-In Program for Working Adults with Disabilities and Sections 1902(a)(10)(A)(ii)(XIX), 1916(i) and 1902(cc)(2)(A)(ii)(1) of the Social Security Act for the Medicaid Buy-In Program for Children with Disabilities

4. State Authority for the Rule:

   25.5-1-301 through 25.5-1-303, C.R.S. (2014);
   25.5-6-1401 through 25.5-6-1406 C.R.S. (2014) and 25.5-5-206(I)

Initial Review	**02/13/2015**	Final Adoption	**03/13/2015**
Proposed Effective Date	**05/01/2015**	Emergency Adoption	

DOCUMENT #03

Title of Rule:	Revision to the Medical Assistance Eligibility Determination Rule Concerning the Medicaid Buy-In Program for Working Adults with Disabilities and the Medicaid Buy-In Program for Children with Disabilities, Section 8.100.6.P and Section 8.100.6.Q
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REGULATORY ANALYSIS

1. Describe the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.

   Disabled children and the category of eligibility under the federal "Ticket to Work and Work Incentives Improvement Act of 1999", Pub.L. 106-170, that provides an opportunity to buy into Medicaid consistent with the federal "Social Security Act", 42 U.S.C. 1396a (a) (10) (A) (ii) (XV), as amended, for each worker with disabilities who is at least sixteen years of age but less than sixty-five years of age and who, except for earnings, would be eligible for the supplemental security income program. A person who is eligible under the basic coverage group may also be a home- and community-based services waiver recipient. Also the category of eligibility under the federal "Ticket to Work and Work Incentives Improvement Act of 1999", Pub.L. 106-170, that provides an opportunity to buy into Medicaid consistent with the federal "Social Security Act", 42 U.S.C. 1496a (a) (10) (A) (ii) (XV), as amended, for each worker with a medically improved disability who is at least sixteen years of age but less than sixty-five years of age and who was previously in the basic coverage group and is no longer eligible for the basic coverage group due to medical improvement. A person who is eligible under the medical improvement group may also be a home- and community-based services waiver recipient.

2. To the extent practicable, describe the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons.

   The proposed rule changes give Medicaid clients more options for types of coverage within Medicaid and allow for more timely notification of the owed premiums.

3. Discuss the probable costs to the Department and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.

   Giving clients the ability to opt out of the Buy-In program and initiating premiums after case approval, instead of application, will result in a decrease in fees collected. However the ability to opt out of this program could result in clients moving to more cost efficient eligibility categories, which would reduce expenditure for these clients. Given the offsetting results and the modest size of the program, the Department does not expect a significant impact. The Department will monitor the federally mandated change and will make adjustments to the budget if necessary through the normal budget process.

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4. Compare the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.

   The change to when premiums are initiated enhances the client experience so they are fully informed about impending costs to access services and can plan accordingly. This also saves administrative efforts for end users, eligibility staff and customer service when clients contact associated entities regarding unexpected premium notices. The ability for a client to dis-enroll from Buy-In programs allows the client to be considered for eligibility for another program in Medicaid that does not cost a premium.

5. Determine whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.

   Alternatives to initiating premiums after case approval would heighten administrative burden. The proposed solution benefits clients and does not greatly increase administrative needs.

6. Describe any alternative methods for achieving the purpose for the proposed rule that were seriously considered by the Department and the reasons why they were rejected in favor of the proposed rule.

   There are no alternative methods to efficiently and effectively implement the purpose of the proposed rule.

8.100.6.P. Medicaid Buy-In Program for Working Adults with Disabilities.

1. To be eligible for the Medicaid Buy-In Program for Working Adults with Disabilities:

   a. Applicants must be at least age 16 but less than 65 years of age.

   b. Income must be less than or equal to 450% of FPL after income allocations and disregards. See 8.100.5.F for Income Requirements and 8.100.5.H for Income allocations and disregards. Only the applicant's income will be considered.

   c. Resources are not counted in determining eligibility.

   d. Individuals must have a disability as defined by Social Security Administration medical listing or a limited disability as determined by a state contractor.

   e. Individuals must be employed. Please see Verification Requirements at 8.100.5.B.1.c.

   f. Individuals will be required to pay monthly premiums on a sliding scale based on income.

      i) The amount of premiums cannot exceed 7.5% of the individual's income.

      ii) Premiums are charged beginning ~~waived for~~ the ~~first~~ month after determination of eligibility. Any premiums for the months prior to the determination of eligibility will be waived. ~~and any retroactive period.~~

      iii) Premium amounts are as follows:

         1) There is no monthly premium for individuals with income at or below 40% FPL.

         2) A monthly premium of $25 is applied to individuals with income above 40% of FPL but at or below 133% of FPL.

         3) A monthly premium of $90 is applied to individuals with income above 133% of FPL but at or below 200% of FPL.

         4) A monthly premium of $130 is applied to individuals with income above 200% of FPL but at or below 300% of FPL.

         5) A monthly premium of $200 is applied to individuals with income above 300% of FPL but at or below 450% of FPL./

      iv) The premium amounts will be updated at the beginning of each State fiscal year based on the annually revised FPL if the revised FPL would

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cause the premium amount (based on percentage of income) to increase by $10 or more.

v) A change in client net income may impact the monthly premium amount due. Failure to pay premium payments in full within 60 days from the premium due date will result in client's assistance being terminated prospectively. The effective date of the termination will be the last day of the month following the 60 days from the date on which the premium became past due.

2. Retroactive coverage is available according to 8.100.3.E, however is not available prior to program implementation

3. Individuals have the option to request to be disenrolled if they have been enrolled into the Medicaid Buy-In Program for Working Adults with Disabilities. This is also called "opt out."

8.100.6.Q. Medicaid Buy-In Program for Children with Disabilities

1. To be eligible for the Medicaid Buy-In Program for Children with Disabilities:

a. Applicants must be age 18 or younger.

b. Household income will be considered and must be less than or equal to 300% of FPL after income disregards. The following rules apply:

i) 8.100.4.E - MAGI Household Requirements

ii) 8.100.5.F - Income Requirements

iii) 8.100.5.F.6 - Income Exemptions

iv) An earned income of $90 shall be disregarded from the gross wages of each individual who is employed

v) A disregard of a 33% (.3333) reduction will be applied to the household's net income.

c. Resources are not counted in determining eligibility.

d. Individuals must have a disability as defined by Social Security Administration medical listing.

e. Children age 16 through 18 cannot be employed. If employed, children age 16 through 18 shall be determined for eligibility through the Medicaid Buy-In Program for Working Adults with Disabilities.

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f. Families will be required to pay monthly premiums on a sliding scale based on household size and income.

i) For families whose income does not exceed 200% of FPL, the amount of premiums and cost-sharing charges cannot exceed 5% of the family's adjusted gross income. For families whose income exceeds 200% of FPL but does not exceed 300% of FPL, the amount of premiums and cost-sharing charges cannot exceed 7.5% of the family's adjusted gross income.

ii) Premiums are charged beginning~~waived for~~ the ~~first~~ month after determination of eligibility. Any premiums for the months prior to the determination of eligibility will be waived. ~~and any retroactive period.~~

iii) For households with two or more children eligible for the Medicaid Buy-In Program for Children with Disabilities, the total premium shall be the amount due for one eligible child.

iv) Premium amounts are as follows:

1) There is no monthly premium for households with income at or below 133% of FPL.

2) A monthly premium of $70 is applied to households with income above 133% of FPL but at or below 185% of FPL.

3) A monthly premium of $90 is applied to individuals with income above 185% of FPL but at or below 250% of FPL.

4) A monthly premium of $120 is applied to individuals with income above 250% of FPL but at or below 300% of FPL.

v) The premium amounts will be updated at the beginning of each State fiscal year based on the annually revised FPL if the revised FPL would cause the premium amount (based on percentage of income) to increase by $10 or more.

vi) A change in household net income may impact the monthly premium amount due. Failure to pay premium payments in full within 60 days from the premium due date will result in client's assistance being terminated prospectively. The effective date of the termination will be the last day of the month following the 60 days from the date on which the premium became past due.

2. Retroactive coverage is available according to 8.100.3.E, however is not available prior to program implementation.

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3. Verification requirements will follow the MAGI Category Verification Requirements found at 8.100.4.B.

4, Individuals have the option to request to be disenrolled if they have been enrolled into the Medicaid Buy-In Program for Children with Disabilities. This is also called "opt out."

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