

SENATE BILL 183

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HB 1008/01 - ECM

2002 Regular Session
2lr0242

By: **Senators Teitelbaum, Bromwell, DeGrange, Della, Dorman, Exum,
Hafer, Hooper, Kelley, and Roesser**

Introduced and read first time: January 17, 2002

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Medical Assistance Program - Employed Persons with Disabilities Program**

3 FOR the purpose of requiring that the Medical Assistance Program include a certain
4 Employed Persons with Disabilities Program; specifying certain purposes for the
5 Employed Persons with Disabilities Program; establishing certain criteria for
6 eligibility to participate; prohibiting participation if a person's assets exceed a
7 certain amount, with certain exceptions; requiring certain persons to pay
8 certain premium amounts in order to participate; specifying that failure to pay a
9 certain premium results in termination of eligibility, except under a certain
10 circumstance; authorizing the Department of Health and Mental Hygiene to
11 utilize certain collection procedures; requiring the Department of Health and
12 Mental Hygiene and the Department of Labor, Licensing, and Regulation to
13 make certain reports on or before a certain date each year; requiring the
14 Department of Health and Mental Hygiene to submit a certain application by a
15 certain date and to provide a certain notice within a certain time; providing for
16 the effective date of a certain portion of this Act, subject to a certain contingency;
17 requiring the Department of Health and Mental Hygiene, subject to a certain
18 contingency, to adopt certain regulations by a certain time and in consultation
19 with certain individuals and with the approval of the Department of Labor,
20 Licensing, and Regulation; providing for the termination of this Act under a
21 certain circumstance; and generally relating to the inclusion of the Employed
22 Persons with Disabilities Program under the Medical Assistance Program.

23 BY repealing and reenacting, without amendments,
24 Article - Health - General
25 Section 15-101(a) and (i)
26 Annotated Code of Maryland
27 (2000 Replacement Volume and 2001 Supplement)

28 BY adding to
29 Article - Health - General
30 Section 15-134
31 Annotated Code of Maryland

1 (2000 Replacement Volume and 2001 Supplement)

2 Preamble

3 WHEREAS, Many individuals with disabilities would like to work but can not
4 afford to enter the workforce because that would mean losing the necessary medical
5 services they receive through Medicaid; and

6 WHEREAS, Those individuals with disabilities who do work do so at the peril of
7 their Medicaid coverage; and

8 WHEREAS, At the same time that these qualified potential workers face the
9 loss of their health insurance if they become part of the workforce, Maryland
10 employers are likewise hindered in that the current shortage of workers means that
11 many jobs must go unfilled; and

12 WHEREAS, The federal Ticket to Work and Work Incentives Improvement Act
13 allows states to establish new Medicaid eligibility categories for working people with
14 disabilities whose income or resources would otherwise make them ineligible for
15 Medicaid; now, therefore,

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - Health - General**

19 15-101.

20 (a) In this title the following words have the meanings indicated.

21 (i) "Program" means the Maryland Medical Assistance Program.

22 15-134.

23 (A) THE PROGRAM SHALL INCLUDE AN EMPLOYED PERSONS WITH
24 DISABILITIES PROGRAM.

25 (B) THE PURPOSE OF THE EMPLOYED PERSONS WITH DISABILITIES PROGRAM
26 IS TO PROVIDE THE OPPORTUNITY FOR INDIVIDUALS WITH DISABILITIES TO BE
27 CONTRIBUTING MEMBERS OF THE STATE'S WORKFORCE AND TO QUALIFY FOR
28 PROGRAM BENEFITS.

29 (C) A PERSON SHALL BE ELIGIBLE TO PARTICIPATE IN THE EMPLOYED
30 PERSONS WITH DISABILITIES PROGRAM IF THE PERSON:

31 (1) IS BETWEEN THE AGES OF 16 AND 64 YEARS OLD, INCLUSIVE;

32 (2) (I) IS DISABLED UNDER TITLE XX OF THE SOCIAL SECURITY ACT;

33 AND

1 (II) BUT FOR PROVISIONS RELATING TO SUBSTANTIAL GAINFUL
2 ACTIVITY, WOULD QUALIFY FOR SUPPLEMENTAL SECURITY INCOME OR SOCIAL
3 SECURITY DISABILITY INSURANCE;

4 (3) RECEIVES FINANCIAL COMPENSATION FOR EMPLOYMENT, WITH
5 APPLICABLE PAYROLL WITHHOLDINGS FOR PAYMENT OF FEDERAL, STATE, AND
6 LOCAL TAXES;

7 (4) MEETS THE ASSET LIMITATION UNDER SUBSECTION (D) OF THIS
8 SECTION;

9 (5) HAS A NET ANNUAL INCOME UP TO 250 PERCENT OF THE CURRENT
10 FEDERAL POVERTY GUIDELINES AS ISSUED BY THE U.S. DEPARTMENT OF HEALTH
11 AND HUMAN SERVICES, EXCEPT FOR:

12 (I) SPOUSAL OR DEPENDENT CHILD INCOME;

13 (II) INCOME RECEIVED FROM THE FEDERAL
14 IMPAIRMENT-RELATED WORK EXPENSE PROGRAM; OR

15 (III) EMPLOYER PAID HEALTH INSURANCE PREMIUMS; AND

16 (6) IF APPLICABLE, PAYS THE PREMIUM REQUIRED UNDER SUBSECTION
17 (E) OF THIS SECTION.

18 (D) FOR THE PURPOSE OF DETERMINING FINANCIAL ELIGIBILITY UNDER
19 THIS SECTION, A PERSON'S ASSETS MAY NOT EXCEED \$10,000, EXCEPT FOR:

20 (1) A MEDICAL EXPENSE ACCOUNT ESTABLISHED BY THE PERSON'S
21 EMPLOYER;

22 (2) A RETIREMENT ACCOUNT, INCLUDING AN INDIVIDUAL RETIREMENT
23 ACCOUNT, A 401(K) PLAN, A 403(B) PLAN, A KEOGH PLAN, AND A PENSION PLAN; OR

24 (3) SUBJECT TO THE APPROVAL OF THE DEPARTMENT, ANY SPECIAL
25 FUND FOR THE PURCHASE OF GOODS OR SERVICES THAT SUBSTANTIALLY INCREASE
26 OR MAINTAIN THE PERSON'S EMPLOYABILITY.

27 (E) (1) A PERSON WHOSE GROSS EARNED INCOME IS GREATER THAN 100%
28 OF THE FEDERAL POVERTY GUIDELINES SHALL PAY A PREMIUM IN ORDER TO BE
29 ELIGIBLE UNDER THIS SECTION FOR PARTICIPATION IN THE PROGRAM.

30 (2) SUBJECT TO PARAGRAPH (3)(I) OF THIS SUBSECTION, A PERSON
31 WHOSE GROSS EARNED INCOME IS:

32 (I) GREATER THAN 100% OF THE FEDERAL POVERTY GUIDELINES
33 BUT LESS THAN 200%, SHALL PAY A PREMIUM OF \$20 PER MONTH, OR AN ANNUAL
34 PREMIUM OF 5% OF THE PERSON'S GROSS INCOME, WHICHEVER IS GREATER; AND

35 (II) 200% OR MORE OF THE FEDERAL POVERTY GUIDELINES, SHALL
36 PAY AN ANNUAL PREMIUM OF 10% OF THE PERSON'S GROSS INCOME OVER 200%.

1 (3) IF A PERSON HAS PRIVATE HEALTH INSURANCE AND THE COVERAGE
2 UNDER THE PROGRAM IS SECONDARY TO THE PRIVATE INSURANCE:

3 (I) THE PERSON SHALL PAY AN ANNUAL PREMIUM OF 5% OF ALL
4 GROSS INCOME OVER 200% OF THE FEDERAL POVERTY GUIDELINES, INCLUDING
5 SPOUSAL INCOME OVER 200% OF THE FEDERAL POVERTY GUIDELINES; AND

6 (II) ONLY THOSE SERVICES NOT COVERED BY THE PRIVATE
7 INSURANCE SHALL BE COVERED UNDER THE PROGRAM.

8 (4) FAILURE TO PAY A PREMIUM WHEN DUE SHALL RESULT IN
9 TERMINATION OF THE PERSON'S ELIGIBILITY FOR PARTICIPATION IN THE PROGRAM
10 UNDER THIS SECTION, UNLESS THE PERSON DEMONSTRATES GOOD CAUSE FOR
11 NONPAYMENT OR LATE PAYMENT.

12 (5) THE DEPARTMENT MAY UTILIZE THE COLLECTION PROCEDURES
13 APPLICABLE UNDER SUBTITLE 3 OF THIS TITLE FOR THE COLLECTION OF PREMIUM
14 PAYMENTS REQUIRED UNDER THIS SUBSECTION.

15 (F) ON OR BEFORE JANUARY 1 OF EACH YEAR, THE DEPARTMENT OF HEALTH
16 AND MENTAL HYGIENE AND THE DEPARTMENT OF LABOR, LICENSING, AND
17 REGULATION SHALL REPORT JOINTLY TO THE LEGISLATIVE POLICY COMMITTEE
18 REGARDING THE DEVELOPMENT, IMPLEMENTATION, AND EFFICACY OF THE
19 EMPLOYED PERSONS WITH DISABILITIES PROGRAM.

20 SECTION 2. AND BE IT FURTHER ENACTED, That on or before October 1,
21 2002, the Department of Health and Mental Hygiene shall submit to the Health Care
22 Finance Administration of the United States Department of Health and Human
23 Services an application to amend the State's existing Medical Assistance Program so
24 as to implement the Employed Persons with Disabilities Program.

25 SECTION 3. AND BE IT FURTHER ENACTED, That the Department of
26 Health and Mental Hygiene, within 5 days after receipt of approval or denial by the
27 Health Care Finance Administration of the application for the Employed Persons
28 with Disabilities Program, shall forward a copy of the approval or denial to the
29 Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.

30 SECTION 4. AND BE IT FURTHER ENACTED, That:

31 (1) If the Health Care Finance Administration approves the application
32 for implementation of the Employed Persons with Disabilities Program:

33 (i) Section 1 of this Act shall take effect 3 months after the date on
34 which the Health Care Finance Administration issues its approval; and

35 (ii) Within 7 months of the date on which the Health Care Finance
36 Administration issues its approval, the Department of Health and Mental Hygiene, in
37 consultation with representatives of community-based provider and advocacy
38 organizations for employment and support services and with the approval of the

1 Department of Labor, Licensing, and Regulation, shall adopt regulations to
2 implement the Employed Persons with Disabilities Program; or

3 (2) If the Health Care Finance Administration denies the application for
4 implementation of the Employed Persons with Disabilities Program, this Act shall be
5 null and void without the necessity of further action by the General Assembly.

6 SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in
7 Section 4 of this Act, this Act shall take effect July 1, 2002.