



Date: February 10, 2023
Amended March 2, 2023

DMS Operations Memo 23-03

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 | |

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Updates to BadgerCare Plus Annual Income Eligibility Determination Policy

CROSS REFERENCE

- BadgerCare Plus Handbook, [Section 16.9 Gap Filling](#) and [Section 28.3.4 Gap Filling Eligibility Considerations](#)
- Operations Memo [16-35](#)
- Operations Memo [17-35](#)

EFFECTIVE DATE

February 25, 2023

PURPOSE

This operations memo announces new policies for annual income-based eligibility determinations for BadgerCare Plus, which are also known as “gap filling” determinations. These policy changes coincide with changes to automate such eligibility determinations in CARES. With these changes, the manual eligibility determination process described in Operations Memos [16-35](#) and [17-35](#) and BadgerCare Plus Handbook [16.9.1.1](#) will be discontinued.

BACKGROUND

The Federally Facilitated Marketplace (FFM, also known as HealthCare.Gov, the Exchange, or the Marketplace) offers private health insurance to individuals and families. Advance premium tax credits can lower the insurance premium amount for people with an income at or above 100% of the Federal

Poverty Level (FPL) who are not eligible for BadgerCare Plus or Medicaid. Eligibility for advance premium tax credits is determined using annual income. BadgerCare Plus determinations, however, are based on monthly income.

Because of this difference in procedure, the Marketplace may determine that an individual has an annual income below 100% of the FPL and is therefore ineligible for advance premium tax credits, whereas Wisconsin may determine that the individual has a monthly income above 100% of the FPL and is ineligible for BadgerCare Plus. This creates a gap in eligibility. Per federal regulations at 42 CFR 435.603(i), BadgerCare Plus eligibility must be redetermined for these cases using annual income.

Currently, gap filling cases are handled manually by IM workers in conjunction with Enrollment Management Central Application Processing Operation (EM CAPO) to determine eligibility for BadgerCare Plus.

POLICY

Effective February 25, 2023, BadgerCare Plus eligibility determinations based on expected annual income will be initiated systematically for parents, caretakers, and childless adults whose income is over the monthly limit. Referrals or requests for gap filling eligibility determinations from applicants, members, IM agencies, or the FFM are no longer required to initiate BadgerCare Plus eligibility determinations based on annual income.

Whereas the gap filling certification period previously ended on December 31 of each year, applicants and members who are found eligible under gap filling rules are now certified under a 12-month eligibility period, like other BadgerCare Plus members. This rolling 12-month certification period can start and end any month of the year. This allows members to keep their certification period even if they change from having their eligibility determined under monthly income rules to annual income rules when they report changes.

Example 1:

Keisha applies for health care on June 15, 2023, as a household of one. She has earned income of \$300 per month from a part-time job. She is determined eligible for BadgerCare Plus starting June 1, 2023. Her renewal date is May 31, 2024. On October 3, she reports that she had an increase in hours at her job and she is now earning \$1,200 **\$1,300** per month. She is over the monthly BadgerCare Plus income limit for a group size of one, but she is still under the annual income limit. Keisha continues to be eligible for BadgerCare Plus under gap filling rules. Her renewal date continues to be May 31, 2024.

Under existing policy, BadgerCare Plus members open under gap filling rules have been required to reapply if they wanted to have their eligibility determined for BadgerCare Plus in the next calendar year. Effective February 25, 2023, BadgerCare Plus members open under gap filling rules are no longer required to reapply to have their BadgerCare Plus eligibility determined for a new certification period. Instead, they now complete a renewal like other BadgerCare Plus populations.

Because 12-month certification periods often extend over two calendar years, DHS will collect expected annual income at the beginning of the new year, starting in January 2024. Members whose eligibility was established under gap filling rules must respond to the Expected Annual Income Letter:

- If the member's expected annual income continues to be at or under the annual income limit, BadgerCare Plus will continue.
- If the member's expected annual income is above the annual income limit, BadgerCare Plus will be terminated following adverse action rules (assuming they are not eligible for BadgerCare Plus under monthly income rules or any other category of BadgerCare Plus or Medicaid).
- If the member does not respond, BadgerCare Plus will be terminated following adverse action rules due to failure to provide information.

Example 2:

Continuing with the example above, the Expected Annual Income Letter is sent to Keisha in January 2024. Keisha's increase in hours at her job back in October 2023 was a permanent change. She expects to continue earning \$1,200 **\$1,300** per month from her job in 2024. Keisha writes on the form with the Expected Annual Income Letter that she expects to have \$14,400 **\$15,600** in earned income for 2024. The agency uses this information to redetermine Keisha's eligibility on January 31, 2024. Since Keisha's monthly income is above the monthly income limit and her reported expected annual income is over the annual income limit for 2024*, BadgerCare Plus will close effective February 29, 2024, due to being over the annual income limit.

*The FPL for 2024 has not been announced at the time of publication. This example assumes that the annual 100% FPL amount for 2024 is less than \$14,400 **\$15,600**.

Since documentation of future annual income may be difficult or impossible to obtain due to the person not yet having received this income, verification of expected annual income is not required. However, workers must validate the reported income using all available information. Members with cases open under gap filling rules are required to report if their annual income goes above 100% of the FPL.

CONTACTS

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DHS/DMS/BEOT/
DHS/DMS/BEEP/RW