

Reasonable Compatibility Threshold – Background

- As part of the PHE unwinding work, DHS will temporarily add a 20% threshold to the existing reasonable compatibility test for income for health care.
- The 20% threshold:
 - Applies to all health care programs that use a reasonable compatibility test for income.
 - Applies to eligibility determinations and premium threshold determinations.
 - Applies in all situations that the reasonable compatibility test is used (e.g., applications, renewals, and administrative renewals).
- The goals of adding this threshold are to:
 - Reduce IM agency workload.
 - Reduce the verification burden on applicants and members.
 - Increase the number of renewals that can be completed administratively.

Current State

- Nick is a childless adult applying for BadgerCare Plus (monthly income limit = \$1,132.50). His only income is earned income.
- Nick reports monthly earned income of \$1,000 (under).
- SWICA reports monthly earned income of \$1,150 (over).
- The amounts are not reasonably compatible. Nick must provide verification of his income.

Future State

- Nick is a childless adult applying for BadgerCare Plus (monthly income limit = \$1,132.50). His only income is earned income.
- Nick reports monthly earned income of \$1,000 (under).
- SWICA reports monthly earned income of \$1,150 (over).
- The 20% threshold test is applied. The 20% threshold is the amount that is 20% greater than the total income that includes the reported earned income.
- 20% threshold = \$1,000 x 1.2 = \$1,200
- The total income that includes the earned income reported by SWICA (\$1,150) is less than the 20% threshold amount (\$1,200).
- The amounts are reasonably compatible. Nick does not need to verify his income.

Takeaways

- The reasonable compatibility test using the 20% threshold will only be applied when the following two circumstances occur:
 - The total income that includes the earned income reported by the applicant or member is at or below the income limit.
 - The total income that includes the earned income reported by the data exchange is above the income limit.
- If the total income that includes the earned income reported by the data exchange is
 no more than 20% greater than the total income that includes the earned income
 reported by the applicant/member, the amounts will be reasonably compatible.

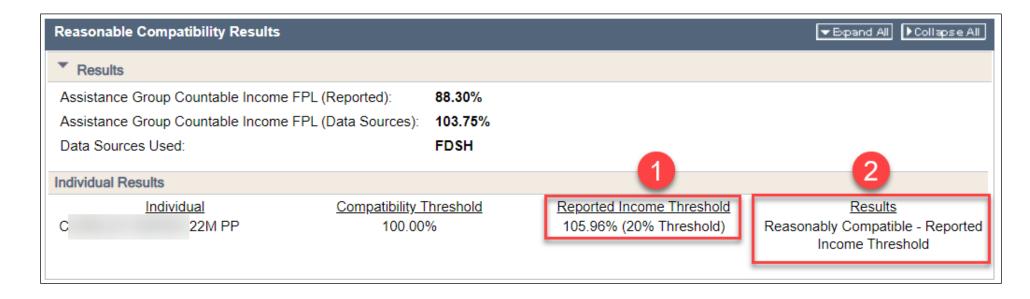
CWW Design Changes – Program Budget Pages

The CWW Budget page for each program that performs the 20% threshold test will be enhanced to capture:

- 1. Reported Income Threshold
- 2. Results (from the 20% threshold test)

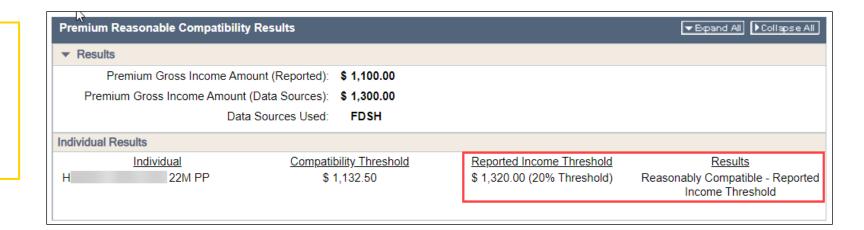
The enhancement applies to these CWW Budget pages:

- BadgerCare Plus MAGI Budget
- SSI-Related Medicaid Budget
- MAPP Budget
- Family Planning Waiver MAGI Budget
- Medicare Savings Budget



CWW Design Changes – MAPP Budget Page

A similar enhancement will be made to the Premium Reasonable Compatibility Results section.



SWICA Discrepancies

Enhancements will be made to the SWICA Discrepancy batch process to perform the 20% threshold test before creating a SWICA discrepancy.

The SWICA Discrepancy Details page in CWW will be enhanced to display the following information:

- The applicable 20% threshold limit
- Dynamic text that indicates the 20%
 Threshold test was applied during the SWICA Discrepancy process

