



Reasonable Compatibility Threshold

IMAC Presentation

May 2022

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 = $\$1,000 \times 1.2 = \$1,200$
- 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

Reasonable Compatibility Results				Expand All	Collapse All
▼ Results					
Assistance Group Countable Income FPL (Reported):		88.30%			
Assistance Group Countable Income FPL (Data Sources):		103.75%			
Data Sources Used:		FDSH			
Individual Results					
	<u>Individual</u>	<u>Compatibility Threshold</u>	<u>Reported Income Threshold</u>	<u>Results</u>	
C	22M PP	100.00%	105.96% (20% Threshold)	Reasonably Compatible - Reported Income Threshold	

CWW Design Changes – MAPP Budget Page

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

Premium Reasonable Compatibility Results				Expand All	Collapse All
▼ Results					
Premium Gross Income Amount (Reported):		\$ 1,100.00			
Premium Gross Income Amount (Data Sources):		\$ 1,300.00			
Data Sources Used:		FDSH			
Individual Results					
<u>Individual</u>	<u>Compatibility Threshold</u>	<u>Reported Income Threshold</u>	<u>Results</u>		
H [redacted] 22M PP	\$ 1,132.50	\$ 1,320.00 (20% Threshold)	Reasonably Compatible - Reported Income Threshold		

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

SWICA Discrepancy Details

Individual Information

PIN: 7 [redacted] Name: T [redacted] Updated Date: 08/02/2022
Case: 7 [redacted] Discrepancy on other Case: NO
Status: Not Started

SWICA Wage Details

Report Quarter: Second Quarter of 2022
Quarter Begin: April 2022 Quarter End: June 2022
Total HC CARES Wages this quarter: \$

SWICA Employer Information

SWICA Employer ID	SWICA Employer Name	Quarterly SWICA Amount
3 [redacted]	B [redacted]	\$1,648.89

FPL Details (Assistance Group Level)

AG	Seq	Benefit Month	Monthly SWICA Amount	CWW Employment Wage	Employment Difference (SWICA - CWW)	CWW Budgeted Income	CWW Budgeted Income FPL	CWW Budgeted Income + Employment Difference	Income + Employment Difference FPL	FPL Amount	FPL Test
MAGC	01	04/2021	\$507.35	\$0.00	\$507.35	\$2,431.06	132.84%	\$2,938.41	160.56%	\$2,917.27 (20% Threshold)	Fail
MAGC	01	05/2021	\$507.35	\$0.00	\$507.35	\$2,431.06	132.84%	\$2,938.41	160.56%	\$2,917.27 (20% Threshold)	Fail
MAGC	01	06/2021	\$507.35	\$0.00	\$507.35	\$2,431.06	132.84%	\$2,938.41	160.56%	\$2,917.27 (20% Threshold)	Fail

Match Date MM/DD/YYYY Go

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