

# Freedom to Work for People with Disabilities

The Act allows people with disabilities to work and save for retirement without fear of losing their Medicaid coverage.

Submitted as:

Michigan

[Act No. 32, Public Acts of 2003](#)

Status: Enacted into law in 2003.

## Suggested State Legislation

(Title, enacting clause, etc.)

1           Section 1. [*Short Title.*] This Act may be cited as the "Freedom to Work for People with  
2 Disabilities Act."

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4           Section 2. [*Definitions.*] As used in this Act,  
5           (1) "Earned Income" and "Unearned Income" mean those terms as used by the family  
6 independence agency in determining eligibility for the medical assistance program administered  
7 under this Act.

8           (2) "Federal Poverty Guidelines" means the poverty guidelines published annually in the  
9 Federal Register by the United States Department of Health and Human Services under its  
10 authority to revise the poverty line under section 673(2) of subtitle B of title VI of the Omnibus  
11 Budget Reconciliation Act of 1981, Public Law 97-35, 42 U.S.C. 9902.

12  
13           Section 3. [*Establishing Program; Eligibility.*]

14           (1) The [department of community health] shall establish a program to provide medical  
15 assistance to people who have earned income and who meet all of the following eligibility  
16 criteria:

17                   (a) The individual has been found to be disabled under the federal Supplemental  
18 Security Income program or the Social Security Disability Income program, or would be found  
19 to be disabled except for earnings in excess of the substantial gainful activity level as established  
20 by the United States Social Security Administration.

21                   (b) The individual is at least 16 years of age and younger than 65 years.

22                   (c) The individual has an unearned income level of not more than 100% of the  
23 current federal poverty guidelines.

24                   (d) The individual is a current medical assistance recipient under [insert citation]  
25 or meets income, asset, and eligibility requirements for the medical assistance program under  
26 [insert citation].

27                   (e) The individual is employed on a regular and continuing basis.

28           (2) The program is limited to the medical assistance services made available to recipients  
29 under the medical assistance program administered under [insert citation] and does not include  
30 personal assistance services in the workplace.

31           (3) Without losing eligibility for medical assistance, an individual who qualifies for and  
32 is enrolled under this program is permitted to do all of the following:

33                   (a) Accumulate personal savings and assets not to exceed \$75,000.

34                   (b) Accumulate unlimited retirement and individual retirement accounts.

35 (c) Have temporary breaks in employment that do not exceed 24 months if the  
 36 temporary breaks are the result of an involuntary layoff or are determined to be medically  
 37 necessary.

38 (d) Work and have income that exceeds the amount permitted under [insert  
 39 citation], but shall not have unearned income that exceeds 100% of the federal poverty  
 40 guidelines.

41  
 42 Section 4. [*Premiums.*]

43 (1) The [department of community health] shall establish a premium that is based on  
 44 earned income for people enrolled in the program subject to all of the following provisions:

45 (a) The premium shall be based on the enrolled individual's annualized earned  
 46 income above 250% of the current federal poverty guidelines for a family of 1.

47 (b) People with an earned income of between 250% of the federal poverty  
 48 guidelines for a family of 1 and \$75,000 shall pay a sliding fee scale premium starting at \$600  
 49 annually and increasing to 100% of the average medical assistance recipient cost as determined  
 50 by the [department of community health] for people with an annual income of \$75,000 or more.

51 (c) The premium sliding fee scale shall have no more than 5 tiers.

52 (d) The premium for an enrolled individual shall generally be assessed on an  
 53 annual basis based on the annual return required to be filed under the Internal Revenue Code of  
 54 1986 or other evidence of earned income and shall be payable on a monthly basis. The premium  
 55 shall be adjusted during the year when a change in an enrolled individual's rate of annual income  
 56 moves the individual to a different premium tier.

57 (2) An enrolled individual has an affirmative duty to report earned income changes that  
 58 would result in a different premium within 30 days to the [department of community health].

59  
 60 Section 5. [*Reports Required.*] The [department of community health] shall report to the  
 61 [governor and the legislature] within 2 years of the effective date of this Act regarding all of the  
 62 following:

63 (a) The effectiveness of the program in achieving its purposes.

64 (b) The number of people enrolled in the program.

65 (c) The costs and benefits of the program.

66 (d) The opportunities and projected costs of expanding the program to working  
 67 people with disabilities who are not currently eligible for the program.

68 (e) Additional services that should be covered under the program to assist  
 69 working people with disabilities in obtaining and maintaining employment.

70  
 71 Section 6. [*Waiver for Consistency with Federal Regulations.*] If the terms of this section  
 72 are inconsistent with federal regulations governing federal financial participation in the medical  
 73 assistance program, the [department of community health] may to the extent necessary waive any  
 74 requirement set forth in this Act.

75  
 76 Section 7. [*Implementation of Program.*] The program established by this Act shall be  
 77 implemented on or before [insert date].

78  
 79 Section 8. [*Severability.*] [Insert severability clause.]

80  
 81 Section 9. [*Repealer.*] [Insert repealer clause.]

82  
 83 Section 10. [*Effective Date.*] [Insert effective date.]