

FIRST REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 986**  
97TH GENERAL ASSEMBLY

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Reported from the Committee on Veterans' Affairs and Health, May 14, 2013, with recommendation that the Senate Committee Substitute do pass.

TERRY L. SPIELER, Secretary.

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**AN ACT**

To repeal sections 208.053 and 208.146, RSMo, and to enact in lieu thereof three new sections relating to public assistance, with an emergency clause for a certain section.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 208.053 and 208.146, RSMo, are repealed and three  
2 new sections enacted in lieu thereof, to be known as sections 208.053, 208.146,  
3 and 208.1050, to read as follows:

208.053. 1. The provisions of this section shall be known as the  
2 "Low-Wage Trap Elimination Act". In order to more effectively transition persons  
3 receiving state-funded child care subsidy benefits under this chapter, the  
4 children's division, in conjunction with the department of revenue, shall, subject  
5 to appropriations, by January 1, 2013, implement a pilot program in at least one  
6 rural county and in at least one urban child care center that serves at least three  
7 hundred families, to be called the "Hand-up Program", to allow willing recipients  
8 who wish to participate in the program to continue to receive such child care  
9 subsidy benefits while sharing in the cost of such benefits through the payment  
10 of a premium, as follows:

11 (1) For purposes of this section, "full child care benefits" shall be the full  
12 benefits awarded to a recipient based on the income eligibility amount established  
13 by the division through the annual appropriations process as of August 28, 2012,  
14 to qualify for the benefits and shall not include the transitional child care  
15 benefits that are awarded to recipients whose income surpasses the eligibility

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

16 level for full benefits to continue. The hand-up program shall be voluntary and  
17 shall be designed such that a participating recipient will not be faced with a  
18 sudden loss of child care benefits should the recipient's income rise above the  
19 maximum allowable monthly income for persons to receive full child care benefits  
20 as of August 28, 2012. In such instance, the recipient shall be permitted to  
21 continue to receive such benefits if the recipient pays a premium, to be paid via  
22 a payroll deduction if possible, to be applied only to that portion of the recipient's  
23 income above such maximum allowable monthly income for the receipt of full  
24 child care benefits as follows:

25 (a) The premium shall be forty-four percent of the recipient's excess  
26 adjusted gross income over the maximum allowable monthly income for the  
27 applicable family size for the receipt of child care benefits;

28 (b) The premium shall be paid on a monthly basis by the participating  
29 recipient, or may be paid on a different periodic basis if through a payroll  
30 deduction consistent with the payroll period of the person's employer;

31 (c) The division shall develop a payroll deduction program in conjunction  
32 with the department of revenue, and shall promulgate rules for the payment of  
33 premiums, through such payroll deduction program or through an alternate  
34 method to be determined by the division, owed under the hand-up program; and

35 (d) Participating recipients who fail to pay the premium owed shall be  
36 removed permanently from the program after sixty days of nonpayment;

37 (2) Subject to the receipt of federal waivers if necessary, participating  
38 recipients shall be eligible to receive child care service benefits at income levels  
39 all the way up to the level at which a person's premium equals the value of the  
40 child care service benefits received by the recipient;

41 (3) Only those recipients who currently receive full child care benefits as  
42 of joining the program and who had been receiving full child care service benefits  
43 [continuously since on or before August 28, 2012] **for a period of at least four**  
44 **months prior to implementation by the division of this program**, shall  
45 be eligible to participate in the program. Only those recipients who agree to the  
46 terms of the hand-up program during a ninety-day sign-up period shall be allowed  
47 to participate in the program, pursuant to rules to be promulgated by the  
48 division; and

49 (4) A participating recipient shall be allowed to opt out of the program at  
50 any time, but such person shall not be allowed to participate in the program a  
51 second time.

52           2. The division shall track the number of participants in the hand-up  
53 program, premiums and taxes paid by each participant in the program and the  
54 aggregate of such premiums and taxes, as well as the aggregate of those taxes  
55 paid on income exceeding the maximum allowable income for receiving full child  
56 care benefits outside the hand-up program, and shall issue an annual report to  
57 the general assembly by January 1, 2014, and annually on January first  
58 thereafter, detailing the effectiveness of the pilot program in encouraging  
59 recipients to increase their income levels above the income maximum applicable  
60 to each recipient. The report shall also detail the costs of administration and the  
61 increased amount of state income tax paid and premiums paid as a result of the  
62 program, as well as an analysis of whether the pilot program could be expanded  
63 to include other types of benefits including but not limited to food stamps,  
64 temporary assistance for needy families, low-income heating assistance, women,  
65 infants and children supplemental nutrition program, the state children's health  
66 insurance program, and MO HealthNet benefits.

67           3. The division shall pursue all necessary waivers from the federal  
68 government to implement the hand-up program with the goal of allowing  
69 participating recipients to receive child care service benefits at income levels all  
70 the way up to the level at which a person's premium equals the value of the child  
71 care service benefits received by the recipient. If the division is unable to obtain  
72 such waivers, the division shall implement the program to the degree possible  
73 without such waivers.

74           4. (1) There is hereby created in the state treasury the "Hand-Up  
75 Program Premium Fund" which shall consist of premiums collected under this  
76 section. The state treasurer shall be custodian of the fund. In accordance with  
77 sections 30.170 and 30.180, the state treasurer may approve disbursements. The  
78 state treasurer shall invest moneys in the fund in the same manner as other  
79 funds are invested. Any interest and moneys earned on such investments shall  
80 be credited to the fund. Notwithstanding the provisions of section 33.080 to the  
81 contrary, any moneys remaining in the fund at the end of the biennium shall not  
82 revert to the credit of the general revenue fund.

83           (2) All premiums received under the program shall be deposited in the  
84 fund, out of which the cost of administering the hand-up program shall be paid,  
85 as well as the necessary payments to the federal government and to the state  
86 general revenue fund. Child care benefits provided under the hand-up program  
87 shall continue to be paid for as under the existing state child care assistance

88 program.

89 5. After the first year of the program, or sooner if feasible, the cost of  
90 administering the program shall be paid out of the premiums received. Any  
91 premiums collected exceeding the cost of administering the program shall, if  
92 required by federal law, be shared with the federal government and the state  
93 general revenue fund in the same proportion that the federal government shares  
94 in the cost of funding the child care assistance program with the state.

95 6. Any rule or portion of a rule, as that term is defined in section 536.010,  
96 that is created under the authority delegated under this section shall become  
97 effective only if it complies with and is subject to all of the provisions of chapter  
98 536 and, if applicable, section 536.028. This section and chapter 536 are  
99 nonseverable and if any of the powers vested with the general assembly pursuant  
100 to chapter 536 to review, to delay the effective date, or to disapprove and annul  
101 a rule are subsequently held unconstitutional, then the grant of rulemaking  
102 authority and any rule proposed or adopted after August 28, 2012, shall be  
103 invalid and void.

104 7. Pursuant to section 23.253 of the Missouri sunset act:

105 (1) The provisions of the new program authorized under this section shall  
106 sunset automatically three years after August 28, [2012] **2014**, unless  
107 reauthorized by an act of the general assembly; and

108 (2) If such program is reauthorized, the program authorized under this  
109 section shall sunset automatically six years after the effective date of the  
110 reauthorization of this section; and

111 (3) This section shall terminate on September first of the calendar year  
112 immediately following the calendar year in which the program authorized under  
113 this section is sunset.

208.146. 1. The program established under this section shall be known  
2 as the "Ticket to Work Health Assurance Program". Subject to appropriations  
3 and in accordance with the federal Ticket to Work and Work Incentives  
4 Improvement Act of 1999 (TWWIIA), Public Law 106-170, the medical assistance  
5 provided for in section 208.151 may be paid for a person who is employed and  
6 who:

7 (1) Except for earnings, meets the definition of disabled under the  
8 Supplemental Security Income Program or meets the definition of an employed  
9 individual with a medically improved disability under TWWIIA;

10 (2) Has earned income, as defined in subsection 2 of this section;

11 (3) Meets the asset limits in subsection 3 of this section;

12 (4) Has net income, as defined in subsection 3 of this section, that does  
13 not exceed the limit for permanent and totally disabled individuals to receive  
14 nonspenddown MO HealthNet under subdivision (24) of subsection 1 of section  
15 208.151; and

16 (5) Has a gross income of two hundred fifty percent or less of the federal  
17 poverty level, excluding any earned income of the worker with a disability  
18 between two hundred fifty and three hundred percent of the federal poverty  
19 level. For purposes of this subdivision, "gross income" includes all income of the  
20 person and the person's spouse that would be considered in determining MO  
21 HealthNet eligibility for permanent and totally disabled individuals under  
22 subdivision (24) of subsection 1 of section 208.151. Individuals with gross  
23 incomes in excess of one hundred percent of the federal poverty level shall pay a  
24 premium for participation in accordance with subsection 4 of this section.

25 2. For income to be considered earned income for purposes of this section,  
26 the department of social services shall document that Medicare and Social  
27 Security taxes are withheld from such income. Self-employed persons shall  
28 provide proof of payment of Medicare and Social Security taxes for income to be  
29 considered earned.

30 3. (1) For purposes of determining eligibility under this section, the  
31 available asset limit and the definition of available assets shall be the same as  
32 those used to determine MO HealthNet eligibility for permanent and totally  
33 disabled individuals under subdivision (24) of subsection 1 of section 208.151  
34 except for:

35 (a) Medical savings accounts limited to deposits of earned income and  
36 earnings on such income while a participant in the program created under this  
37 section with a value not to exceed five thousand dollars per year; and

38 (b) Independent living accounts limited to deposits of earned income and  
39 earnings on such income while a participant in the program created under this  
40 section with a value not to exceed five thousand dollars per year. For purposes  
41 of this section, an "independent living account" means an account established and  
42 maintained to provide savings for transportation, housing, home modification, and  
43 personal care services and assistive devices associated with such person's  
44 disability.

45 (2) To determine net income, the following shall be disregarded:

46 (a) All earned income of the disabled worker;

47 (b) The first sixty-five dollars and one-half of the remaining earned  
48 income of a nondisabled spouse's earned income;

49 (c) A twenty dollar standard deduction;

50 (d) Health insurance premiums;

51 (e) A seventy-five dollar a month standard deduction for the disabled  
52 worker's dental and optical insurance when the total dental and optical insurance  
53 premiums are less than seventy-five dollars;

54 (f) All Supplemental Security Income payments, and the first fifty dollars  
55 of SSDI payments;

56 (g) A standard deduction for impairment-related employment expenses  
57 equal to one-half of the disabled worker's earned income.

58 4. Any person whose gross income exceeds one hundred percent of the  
59 federal poverty level shall pay a premium for participation in the medical  
60 assistance provided in this section. Such premium shall be:

61 (1) For a person whose gross income is more than one hundred percent  
62 but less than one hundred fifty percent of the federal poverty level, four percent  
63 of income at one hundred percent of the federal poverty level;

64 (2) For a person whose gross income equals or exceeds one hundred fifty  
65 percent but is less than two hundred percent of the federal poverty level, four  
66 percent of income at one hundred fifty percent of the federal poverty level;

67 (3) For a person whose gross income equals or exceeds two hundred  
68 percent but less than two hundred fifty percent of the federal poverty level, five  
69 percent of income at two hundred percent of the federal poverty level;

70 (4) For a person whose gross income equals or exceeds two hundred fifty  
71 percent up to and including three hundred percent of the federal poverty level,  
72 six percent of income at two hundred fifty percent of the federal poverty level.

73 5. Recipients of services through this program shall report any change in  
74 income or household size within ten days of the occurrence of such change. An  
75 increase in premiums resulting from a reported change in income or household  
76 size shall be effective with the next premium invoice that is mailed to a person  
77 after due process requirements have been met. A decrease in premiums shall be  
78 effective the first day of the month immediately following the month in which the  
79 change is reported.

80 6. If an eligible person's employer offers employer-sponsored health  
81 insurance and the department of social services determines that it is more cost  
82 effective, such person shall participate in the employer-sponsored insurance. The

83 department shall pay such person's portion of the premiums, co-payments, and  
84 any other costs associated with participation in the employer-sponsored health  
85 insurance.

86 7. The provisions of this section shall expire [six years after] August 28,  
87 [2007] **2019**.

**208.1050. 1. There is hereby created in the state treasury the**  
2 **"Missouri Senior Services Protection Fund", which shall consist of**  
3 **money collected under subsection 2 of this section. The state treasurer**  
4 **shall be custodian of the fund. In accordance with sections 30.170 and**  
5 **30.180, the state treasurer may approve disbursements. The fund shall**  
6 **be a dedicated fund and, upon appropriation, money in the fund shall**  
7 **be used solely for the administration of subsection 2 of this**  
8 **section. Notwithstanding the provisions of section 33.080 to the**  
9 **contrary, any moneys remaining in the fund at the end of the biennium**  
10 **shall not revert to the credit of the general revenue fund. The state**  
11 **treasurer shall invest moneys in the fund in the same manner as other**  
12 **funds are invested. Any interest and moneys earned on such**  
13 **investments shall be credited to the fund.**

14 **2. The state treasurer shall deposit from moneys that otherwise**  
15 **would have been deposited into the general revenue fund an amount**  
16 **equal to fifty-five million one hundred thousand dollars into the**  
17 **Missouri senior services protection fund. At least one-quarter of such**  
18 **amount shall be deposited on or before July 15, 2013, an additional one-**  
19 **quarter by October 15, 2013, and an additional one-quarter by January**  
20 **15, 2014. The remaining amount shall be deposited by March 15,**  
21 **2014. Moneys in the fund shall be allocated for services for low-income**  
22 **seniors and people with disabilities.**

Section B. Because immediate action is necessary to protect low-income  
2 seniors and disabled persons, the enactment of section 208.1050 of this act is  
3 deemed necessary for the immediate preservation of the public health, welfare,  
4 peace and safety, and is hereby declared to be an emergency act within the  
5 meaning of the constitution, and the enactment of section 208.1050 of this act  
6 shall be in full force and effect upon its passage and approval.

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