



Senate

General Assembly

File No. 393

January Session, 2001

Substitute Senate Bill No. 926

Senate, April 23, 2001

The Committee on Human Services reported through SEN. HANDLEY of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE PROVISION OF COVERAGE FOR USED DURABLE MEDICAL EQUIPMENT UNDER THE MEDICAID PROGRAM, REVENUE FROM MEDICAID MANAGED CARE PLANS FOR SERVICES PERFORMED AT RIVERVIEW HOSPITAL AND FEDERAL MATCHING FUNDS FOR SERVICES RENDERED IN SCHOOL-BASED HEALTH CLINICS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) The Commissioner of Social Services shall seek a
2 waiver from federal law to provide coverage for used durable medical
3 equipment under the Medicaid program.

4 Sec. 2. For the fiscal year ending June 30, 2002, and each fiscal year
5 thereafter, revenue received by the Department of Administrative
6 Services-Financial Services Center/Collections from Medicaid
7 managed care plans for services performed at Riverview Hospital shall
8 be deposited in the General Fund and credited to a nonlapsing account
9 in the Department of Social Services and shall be available for
10 expenditure by the Department of Social Services for the payment of

11 Medicaid claims.

12 Sec. 3. For the fiscal year ending June 30, 2002, and each fiscal year
13 thereafter, all federal matching funds received by the Department of
14 Social Services for services rendered in school-based health clinics shall
15 be deposited in the General Fund and credited to a nonlapsing account
16 in the Department of Social Services. Sixty per cent of such funds shall
17 be available for expenditure by the Department of Social Services for
18 payment to towns in which the billing clinics are located and the
19 remaining funds shall be available for expenditure by the Department
20 of Social Services for the payment of Medicaid claims.

21 Sec. 4. This act shall take effect July 1, 2001.

HS *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: Potential Significant Savings, Offsetting Savings and Revenue Loss

Affected Agencies: Department of Social Services

Municipal Impact: None

Explanation

State Impact:

This bill makes several changes to the Department of Social Services' (DSS) Medicaid program. First, it requires DSS to seek a federal waiver to allow for the coverage of used durable medical equipment under the Medicaid program. In FY00, DSS spent \$19.2 million in the Medicaid program for durable medical equipment. To the extent that this waiver allows DSS clients to purchase used equipment at a lower price than new equipment, significant savings may result.

This bill also requires DSS to fund services at Riverview Hospital and school based health clinics through special accounts funded through revenue generated from the Medicaid program or from managed care organizations. Currently, Medicaid pays approximately \$17.5 million annually for children at Riverview and \$14.3 million annually for school based health clinics. This change will reduce both General Fund expenditures and General Fund revenues by a total of \$31.8 million annually, beginning in FY02. Therefore, there is no net fiscal impact. This change will not affect services rendered by either

program.

OLR Bill Analysis

sSB 926

AN ACT CONCERNING THE PROVISION OF COVERAGE FOR USED DURABLE MEDICAL EQUIPMENT UNDER THE MEDICAID PROGRAM, REVENUE FROM MEDICAID MANAGED CARE PLANS FOR SERVICES PERFORMED AT RIVERVIEW HOSPITAL AND FEDERAL MATCHING FUNDS FOR SERVICES RENDERED IN SCHOOL-BASED HEALTH CLINICS.**SUMMARY:**

This bill requires the Department of Social Services (DSS) commissioner to seek a federal waiver to cover used durable medical equipment under the Medicaid program. Durable medical equipment includes items that can be used more than once, such as wheelchairs, hospital beds, walkers, crutches, or canes.

Starting with FY 2001-02, the bill requires:

1. revenue that the Department of Administrative Services - Financial Services Center/Collections receives from Medicaid managed care plans for services performed at Riverview Hospital to be deposited in the General Fund and credited to a nonlapsing account in DSS, to be used to pay Medicaid claims; and
2. all federal matching funds that DSS receives for services rendered in school-based clinics to be deposited in the General Fund and credited to a nonlapsing account in DSS, 60% of which is to be used to pay towns where the billing clinics are located and the rest to pay Medicaid claims.

EFFECTIVE DATE: July 1, 2001

BACKGROUND***Riverview Hospital***

Riverview Hospital is a children’s mental health facility run by the Department of Children and Families (DCF). HMOs participating in the Medicaid/HUSKY managed care program can receive reinsurance payments from DSS when psychiatric inpatient stays exceed certain limits because another placement for the child is not available. DCF’s full cost of services at Riverview is also in DCF’s budget. The HMO pays the reinsurance amount it receives from DSS to Riverview. DCF then deposits that money in the General Fund.

School-Based Child Health Programs

Currently, DSS makes payments for school-based child health programs to the towns, using a grant established in DSS, with an annual appropriation of 60% of federal reimbursements. In turn, the total revenue the state receives for these claims is deposited in the General Fund.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute
Yea 15 Nay 0