



General Assembly

January Session, 2001

Bill No. 6703

LCO No. 3761

Referred to Committee on Human Services

Introduced by:

REP. WARD, 86th Dist.

SEN. DELUCA, 32nd Dist.

AN ACT CONCERNING VARIOUS MODIFICATIONS TO MEDICAL ASSISTANCE PROGRAMS ADMINISTERED BY THE DEPARTMENT OF SOCIAL SERVICES.

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

1 Section 1. Section 17b-261 of the general statutes is repealed and the
2 following is substituted in lieu thereof:

3 (a) Medical assistance shall be provided for any otherwise eligible
4 person whose income, including any available support from legally
5 liable relatives and the income of the person's spouse or dependent
6 child, is not more than one hundred forty-three per cent, pending
7 approval of a federal waiver applied for pursuant to subsection (d) of
8 this section, of the benefit amount paid to a person with no income
9 under the temporary family assistance program in the appropriate
10 region of residence and if such person is an institutionalized
11 individual as defined in Section 1917(c) of the Social Security Act, 42
12 USC 1396p(c), and has not made an assignment or transfer or other
13 disposition of property for less than fair market value for the purpose

14 of establishing eligibility for benefits or assistance under this section.
15 Any such disposition shall be treated in accordance with Section
16 1917(c) of the Social Security Act, 42 USC 1396p(c). Any disposition of
17 property made on behalf of an applicant or recipient or the spouse of
18 an applicant or recipient by a guardian, conservator, person
19 authorized to make such disposition pursuant to a power of attorney
20 or other person so authorized by law shall be attributed to such
21 applicant, recipient or spouse. A disposition of property ordered by a
22 court shall be evaluated in accordance with the standards applied to
23 any other such disposition for the purpose of determining eligibility.
24 The commissioner shall establish the standards for eligibility for
25 medical assistance at one hundred forty-three per cent of the benefit
26 amount paid to a family unit of equal size with no income under the
27 temporary family assistance program in the appropriate region of
28 residence, pending federal approval, except that the medical assistance
29 program shall provide coverage to persons under the age of nineteen
30 up to one hundred eighty-five per cent of the federal poverty level
31 without an asset limit. On and after January 1, 2001, said medical
32 assistance program shall also provide coverage to persons under the
33 age of nineteen and their parents and needy caretaker relatives who
34 qualify for coverage under Section 1931 of the Social Security Act with
35 family income up to one hundred fifty per cent of the federal poverty
36 level without an asset limit, upon the request of such a person or upon
37 a redetermination of eligibility. Such levels shall be based on the
38 regional differences in such benefit amount, if applicable, unless such
39 levels based on regional differences are not in conformance with
40 federal law. Any income in excess of the applicable amounts shall be
41 applied as may be required by said federal law, and assistance shall be
42 granted for the balance of the cost of authorized medical assistance. All
43 contracts entered into on and after July 1, 1997, pursuant to this section
44 shall include provisions for collaboration of managed care
45 organizations with the Healthy Families Connecticut Program
46 established pursuant to section 17a-56. The Commissioner of Social
47 Services shall provide applicants for assistance under this section, at

48 the time of application, with a written statement advising them of the
49 effect of an assignment or transfer or other disposition of property on
50 eligibility for benefits or assistance.

51 (b) For the purposes of the Medicaid program, the Commissioner of
52 Social Services shall consider parental income and resources as
53 available to a child under eighteen years of age who is living with his
54 or her parents and is blind or disabled for purposes of the Medicaid
55 program, or to any other child under twenty-one years of age who is
56 living with his or her parents.

57 (c) For the purposes of determining eligibility for the Medicaid
58 program (1) an available asset is one that is actually available to the
59 applicant or one that the applicant has the legal right, authority or
60 power to obtain or to have applied for his or her general or medical
61 support. If the terms of a trust provide for the support of an applicant,
62 the refusal of a trustee to make a distribution from the trust does not
63 render the trust an unavailable asset. Notwithstanding the provisions
64 of this subsection, the availability of funds in a trust or similar
65 instrument funded in whole or in part by the applicant or the
66 applicant's spouse shall be determined pursuant to the Omnibus
67 Budget Reconciliation Act of 1993, 42 USC 1396p, and (2) the transfer
68 of an asset in exchange for other valuable consideration shall be
69 allowable to the extent the value of the other valuable consideration is
70 equal to or greater than the value of the asset transferred.

71 [(c)] (d) On or before January 15, 1994, and annually thereafter, the
72 Department of Social Services shall submit a report to the General
73 Assembly in accordance with section 11-4a which sets forth the
74 following: The number of children receiving Medicaid services; the
75 number of children receiving medical treatment at any state or
76 municipal health care facility; the number of doctors and dentists
77 participating in state or municipally-funded programs; and the
78 percentage of children treated in medical programs whose family
79 income is less than one hundred thirty-three per cent of the federal

80 poverty level and the number whose family income is greater than one
81 hundred thirty-three per cent but not more than one hundred eighty-
82 five per cent of the federal poverty level. On and after October 1, 1996,
83 the report shall be submitted to the joint standing committee of the
84 General Assembly having cognizance of matters relating to human
85 services and, upon request, to any member of the General Assembly. A
86 summary of the report shall be submitted to each member of the
87 General Assembly if the summary is two pages or less and a
88 notification of the report shall be submitted to each member if the
89 summary is more than two pages. Submission shall be by mailing the
90 report, summary or notification to the legislative address of each
91 member of the committee or the General Assembly, as applicable.

92 [(d)] (e) The Commissioner of Social Services shall seek a waiver
93 from federal law to permit federal financial participation for Medicaid
94 expenditures for families with incomes of one hundred forty-three per
95 cent of the temporary family assistance program payment standard.

96 Sec. 2. Section 17b-280 of the general statutes is repealed and the
97 following is substituted in lieu thereof:

98 [Notwithstanding any provision of the regulations of Connecticut
99 state agencies concerning payment for drugs provided to Medicaid
100 recipients (1) effective July 1, 1989] Effective July 1, 2001, the state shall
101 reimburse for all legend drugs provided [to such recipients] under the
102 Medicaid, state-administered general assistance, general assistance and
103 ConnPACE programs at the lower of (1) the rate established by the
104 Health Care Finance Administration as the federal acquisition cost, or
105 [, if no such rate is established, the commissioner shall establish and
106 periodically revise the estimated acquisition cost in accordance with
107 federal regulations. The] (2) the average wholesale price minus thirteen
108 per cent. Effective July 1, 2001, the commissioner shall [also] establish a
109 professional fee to be paid to licensed pharmacies for dispensing drugs
110 to Medicaid, state-administered general assistance, general assistance
111 and ConnPACE recipients in accordance with federal regulations [;

112 and (2) on] which shall be three dollars and sixty cents for each
113 prescription. On and after September 4, 1991, payment for legend and
114 nonlegend drugs provided to Medicaid recipients shall be based upon
115 the actual package size dispensed. Effective October 1, 1991,
116 reimbursement for over-the-counter drugs for such recipients shall be
117 limited to those over-the-counter drugs and products published in the
118 Connecticut Formulary, or the cross reference list, issued by the
119 commissioner. The cost of all over-the-counter drugs and products
120 provided to residents of nursing facilities, chronic disease hospitals,
121 and intermediate care facilities for the mentally retarded shall be
122 included in the facilities' per diem rate.

123 Sec. 3. Subsection (d) of section 45a-655 of the general statutes is
124 repealed and the following is substituted in lieu thereof:

125 (d) In the case of any person receiving public assistance, state-
126 administered general assistance or Medicaid, the conservator of the
127 estate shall apply toward the cost of care of such person any assets
128 exceeding limits on assets set by statute or regulations adopted by the
129 Commissioner of Social Services. Notwithstanding the provisions of
130 subsections (a) and (b) of this section, in the case of an institutionalized
131 person who has applied for or is receiving such medical assistance, no
132 conservator shall apply and no court shall approve the application of
133 (1) the net income of the ward to the support of the ward's spouse in
134 an amount that exceeds the monthly income allowed a community
135 spouse as determined by the Department of Social Services pursuant to
136 42 USC 1396r-5(d)(2)-(4) or (2) any portion of the property of the ward
137 to the support, maintenance and medical treatment of the ward's
138 spouse in an amount that exceeds the amount determined allowable by
139 the department pursuant to 42 USC 1396r-5(f)(1) and (2),
140 notwithstanding the provisions of 42 USC 1396r-5(f)(2)(A)(iv); [unless
141 (A) such limitations on income or property would result in significant
142 financial duress or (B) an amount exceeding such limitations is
143 necessary to generate income.]

144 Sec. 4. (NEW) The Commissioner of Social Services may establish
145 maximum allowable costs to be paid under the Medicaid, state-
146 administered general assistance, general assistance and ConnPACE
147 programs for generic prescription drugs based on, but not limited to,
148 actual acquisition costs.

149 Sec. 5. (NEW) The Commissioner of Social Services shall seek a
150 waiver of federal law to provide coverage for used durable medical
151 equipment under the Medicaid program.

152 Sec. 6. (NEW) The Commissioner of Social Services shall seek a
153 waiver of federal law for the purpose of establishing that the penalty
154 period during which an applicant for or recipient of assistance under
155 the Medicaid program is ineligible for services due to a transfer of
156 assets for less than fair market value shall begin in the month the
157 applicant is found otherwise eligible for Medicaid coverage of services
158 rather than in the month of the transfer of assets.

159 Sec. 7. (NEW) (a) The Department of Social Services shall be the sole
160 agency to determine eligibility for assistance and services under
161 programs operated and administered by said department.

162 (b) Each probate court shall send to the Commissioner of Social
163 Services copies of all applications involving the transfer of assets or
164 income from an institutionalized spouse to a community spouse, with
165 attachments, and notice of each such proceeding. Such notice and
166 copies shall be sent to the commissioner not less than thirty days prior
167 to the date of the proceeding.

168 (c) No probate court shall approve an order for spousal support of a
169 community spouse unless (1) notice is provided in accordance with
170 subsection (b) of this section, and (2) the order applies the same
171 standards for spousal support that would be applied by the
172 Department of Social Services under state regulations and federal law.

173 Sec. 8. For the fiscal year ending June 30, 2002, and each fiscal year

174 thereafter, revenue received by the Department of Administrative
175 Services-Financial Services Center/Collections from Medicaid
176 managed care plans for services performed at Riverview Hospital shall
177 be deposited in the General Fund and credited to a nonlapsing account
178 in the Department of Social Services and shall be available for
179 expenditure by the Department of Social Services for the payment of
180 Medicaid claims.

181 Sec. 9. For the fiscal year ending June 30, 2002, and each fiscal year
182 thereafter, all federal matching funds received by the Department of
183 Social Services for services rendered in school-based health clinics shall
184 be deposited in the General Fund and credited to a nonlapsing account
185 in the Department of Social Services. Sixty per cent of such funds shall
186 be available for expenditure by the Department of Social Services for
187 payment to towns in which the billing clinics are located and the
188 remaining funds shall be available for expenditure by the Department
189 of Social Services for the payment of Medicaid claims.

190 Sec. 10. This act shall take effect July 1, 2001.

Statement of Purpose:

To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]