



House of Representatives

General Assembly

File No. 207

January Session, 2003

House Bill No. 5114

House of Representatives, April 8, 2003

The Committee on Human Services reported through REP. VILLANO of the 91st Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT RESCINDING THE AUTHORITY OF THE COMMISSIONER OF SOCIAL SERVICES TO SEEK A WAIVER FROM FEDERAL LAW CONCERNING TRANSFER OF ASSETS UNDER THE MEDICAID PROGRAM.

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

1 Section 1. (NEW) (*Effective from passage*) (a) Not later than thirty days
2 after the effective date of this section, the Commissioner of Social
3 Services shall withdraw the transfer of assets waiver application filed
4 pursuant to section 17b-261a of the general statutes, revision of 1958,
5 revised to 2003.

6 (b) If said waiver application has been approved prior to the
7 effective date of this section, the commissioner shall not implement
8 any provision contained in the waiver application.

9 Sec. 2. (*Effective from passage*) Section 17b-261a of the general statutes
10 is repealed.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>

HS *Joint Favorable*

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: See Explanation Below

Municipal Impact: None

Explanation

This bill requires the Commissioner of Social Services to withdraw the transfer of assets waiver application that has been submitted to the federal government. This waiver allows the state to begin the penalty period for an improper asset transfer to begin at the time of Medicaid eligibility, rather than at the time of the transfer. The waiver is expected to result in savings to the state as it will delay Medicaid eligibility for individuals who have improperly transferred assets in order to become Medicaid eligible. Based on the waiver submitted to the federal government, this change is expected to save \$87.8 million within its first five years of implementation (see table below).

Year 1	Year 2	Year 3	Year 4	Year 5
\$7,090,000	\$15,180,000	\$20,328,000	\$21,799,000	\$23,396,000

The implementation of this bill would eliminate these savings under the Medicaid program. The actual year in which these lost savings would occur would be dependent upon both federal approval of the waiver and the actual implementation schedule. The Governor’s proposed budget assumes Medicaid savings of \$9.1 million in FY04 and \$16.5 million in FY05 from implementation of this waiver.

OLR Bill Analysis

HB 5114

AN ACT RESCINDING THE AUTHORITY OF THE COMMISSIONER OF SOCIAL SERVICES TO SEEK A WAIVER FROM FEDERAL LAW CONCERNING TRANSFER OF ASSETS UNDER THE MEDICAID PROGRAM**SUMMARY:**

This bill requires the Department of Social Services (DSS) commissioner, by 30 days after the bill's effective date, to withdraw the Medicaid transfer of assets waiver application that she submitted to the federal Center for Medicare and Medicaid Services under current law. If the application is approved before the bill's effective date, the bill prohibits the commissioner from implementing its provisions.

EFFECTIVE DATE: Upon passage

BACKGROUND***History of Transfer of Assets Waiver***

A 2001 law required DSS to seek federal approval (i. e. , a Medicaid waiver) to change the way the penalty period is calculated when people make inappropriate asset transfers within 36 months before applying for long-term care Medicaid. The waiver, if approved, would start the penalty period (during which the nursing home patient would be denied Medicaid payment for services) at the point when the patient is otherwise eligible for Medicaid instead of on the date the transfer was made. The change would apply only to transfers that occur on or after the effective date of the waiver. Currently, some of these asset transfer penalties expire before people apply, or become eligible, for Medicaid.

In early 2002, DSS submitted its waiver proposal to the Appropriations and Human Services committees. In addition to changing the start-date for the penalty period, the DSS plan included a provision to increase the look-back for real estate transfers from 36 to 60 months. DSS also limited application of the penalty period to transferred assets with fair market value above certain threshold amounts. These

thresholds would be \$2,500 for assets transferred between one and two years before the Medicaid application and \$5,000 for assets transferred between two and five years before the application.

The committees held a public hearing on the waiver proposal in March 2002. The Human Services Committee rejected the waiver proposal and Appropriations took no action. DSS sent the proposal unchanged to Washington and is still awaiting its approval.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Report

Yea 13 Nay 6