



# House of Representatives

General Assembly

**File No. 276**

*January Session, 2003*

House Bill No. 5474

*House of Representatives, April 9, 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 CONCERNING REVISIONS TO THE HUSKY PLAN.**

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

1 Section 1. Section 17b-261 of the general statutes, as amended by  
2 section 10 of public act 03-2, is repealed and the following is  
3 substituted in lieu thereof (*Effective from passage*):

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

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

50 other disposition of property on 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, 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 the applicant's general or  
61 medical support. If the terms of a trust provide for the support of an  
62 applicant, the refusal of a trustee to make a distribution from the trust  
63 does not render the trust an unavailable asset. Notwithstanding the  
64 provisions of this subsection, the availability of funds in a trust or  
65 similar 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. The provisions of  
68 this subsection shall not apply to special needs trust, as defined in 42  
69 USC 1396p(d)(4)(A).

70 (d) The transfer of an asset in exchange for other valuable  
71 consideration shall be allowable to the extent the value of the other  
72 valuable consideration is equal to or greater than the value of the asset  
73 transferred.

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

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

95 (f) The Commissioner of Social Services shall seek a waiver from  
96 federal law to permit federal financial participation for Medicaid  
97 expenditures for families with incomes of one hundred forty-three per  
98 cent of the temporary family assistance program payment standard.

99 [(g) Notwithstanding the provisions of subsection (a) of this section,  
100 on or after April 1, 2003, all parent and needy caretaker relatives with  
101 incomes exceeding one hundred per cent of the federal poverty level,  
102 who are receiving medical assistance pursuant to this section, shall be  
103 ineligible for such medical assistance. Upon passage of this act, the  
104 Department of Social Services shall not accept applications for medical  
105 assistance program coverage under Section 1931 of the Social Security  
106 Act from parent and needy caretaker relatives with incomes exceeding  
107 one hundred per cent of the federal poverty level until on or after July  
108 1, 2005.]

109 Sec. 2. Section 17b-292 of the general statutes, as amended by section  
110 7 of public act 03-2, is repealed and the following is substituted in lieu  
111 thereof (*Effective from passage*):

112 (a) A child who resides in a household with a family income which  
113 exceeds one hundred eighty-five per cent of the federal poverty level  
114 and does not exceed three hundred per cent of the federal poverty  
115 level may be eligible for subsidized benefits under the HUSKY Plan,

116 Part B.

117 (b) A child who resides in a household with a family income over  
118 three hundred per cent of the federal poverty level may be eligible for  
119 unsubsidized benefits under the HUSKY Plan, Part B.

120 (c) Whenever a court or family support magistrate orders a  
121 noncustodial parent to provide health insurance for a child, such  
122 parent may provide for coverage under the HUSKY Plan, Part B.

123 (d) A child who has been determined to be eligible for benefits  
124 under the HUSKY Plan, Part A or Part B shall remain eligible for said  
125 plan for a period of twelve months from such child's determination of  
126 eligibility unless the child attains the age of nineteen or is no longer a  
127 resident of the state.

128 ~~[(d)]~~ (e) To the extent allowed under federal law, the commissioner  
129 shall not pay for services or durable medical equipment under the  
130 HUSKY Plan, Part B if the enrollee has other insurance coverage for  
131 the services or such equipment.

132 ~~[(e)]~~ (f) A newborn child who otherwise meets the eligibility criteria  
133 for the HUSKY Plan, Part B shall be eligible for benefits retroactive to  
134 his date of birth, provided an application is filed on behalf of the child  
135 within thirty days of such date.

136 ~~[(f)]~~ (g) The commissioner shall implement presumptive eligibility  
137 for children applying for Medicaid. Such presumptive eligibility  
138 determinations shall be in accordance with applicable federal law and  
139 regulations. The commissioner shall adopt regulations, in accordance  
140 with chapter 54, to establish standards and procedures for the  
141 designation of organizations as qualified entities to grant presumptive  
142 eligibility. In establishing such regulations, the commissioner shall  
143 ensure the representation of state-wide and local organizations that  
144 provide services to children of all ages in each region of the state.

145 ~~[(g)]~~ (h) The commissioner shall enter into a contract with an entity  
146 to be a single point of entry servicer for applicants and enrollees under

147 the HUSKY Plan, Part A and Part B. The servicer shall jointly market  
148 both Part A and Part B together as the HUSKY Plan. Such servicer shall  
149 develop and implement public information and outreach activities  
150 with community programs. Such servicer shall electronically transmit  
151 data with respect to enrollment and disenrollment in the HUSKY Plan,  
152 Part B to the commissioner who may transmit such data to the  
153 Children's Health Council.

154 [(h)] (i) To the extent permitted by federal law, the single point of  
155 entry servicer may be one of the entities authorized to grant  
156 presumptive eligibility under the HUSKY Plan, Part A.

157 [(i)] (j) The single point of entry servicer shall send an application  
158 and supporting documents to the commissioner for determination of  
159 eligibility of a child who resides in a household with a family income  
160 of one hundred eighty-five per cent or less of the federal poverty level.  
161 The servicer shall enroll eligible beneficiaries in the applicant's choice  
162 of managed care plan.

163 [(j)] (k) Not more than twelve months after the determination of  
164 eligibility for benefits under the HUSKY Plan, Part A and Part B and  
165 annually thereafter, the commissioner or the servicer, as the case may  
166 be, shall determine if the child continues to be eligible for the plan. The  
167 commissioner or the servicer shall mail an application form to each  
168 participant in the plan for the purposes of obtaining information to  
169 make a determination on eligibility. To the extent permitted by federal  
170 law, in determining eligibility for benefits under the HUSKY Plan, Part  
171 A and Part B with respect to family income, the commissioner or the  
172 servicer shall rely upon information provided in such form by the  
173 participant unless the commissioner or the servicer has reason to  
174 believe that such information is inaccurate or incomplete. The  
175 determination of eligibility shall be coordinated with health plan open  
176 enrollment periods.

177 [(k)] (l) The commissioner shall implement the HUSKY Plan, Part B  
178 while in the process of adopting necessary policies and procedures in  
179 regulation form in accordance with the provisions of section 17b-10.

180        [(l)] (m) The commissioner shall adopt regulations, in accordance  
181 with chapter 54, to establish residency requirements and income  
182 eligibility for participation in the HUSKY Plan, Part B and procedures  
183 for a simplified mail-in application process. Notwithstanding the  
184 provisions of section 17b-257b, such regulations shall provide that any  
185 child adopted from another country by an individual who is a citizen  
186 of the United States and a resident of this state shall be eligible for  
187 benefits under the HUSKY Plan, Part B upon arrival in this state.

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:**

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Department of Social Services.	GF - Cost	58,200,000	69,400,000

**Municipal Impact:** None

**Explanation**

This bill reverses two changes made in P.A. 03-2, *AAC Modifications to Current and Future State Expenditures and Revenues*. First, the bill reestablishes benefits for parents of children enrolled in the HUSKY health insurance program with incomes between 100% and 150% of the federal poverty level. Resumption of these benefits would cost the Medicaid program \$54.9 million in FY04 and \$65.9 million in FY05. The bill also reestablishes the continuous eligibility policy for children enrolled in Medicaid. Under this policy, a child remains eligible for benefits for twelve continuous months after enrollment regardless of any change in income. Resumption of this policy is expected to cost \$3.5 million annually.

The Governor’s proposed biennial budget does not include any funding for these two policies. However, the U.S. District Court for Connecticut issued a temporary restraining order on March 31, 2003 in the case of *Rabin v. Wilson-Coker* that requires the Department of Social Services to continue the provision of these benefits.

**OLR Bill Analysis**

HB 5474

***AN ACT CONCERNING REVISIONS TO THE HUSKY PLAN*****SUMMARY:**

This bill increases the income limit for HUSKY A adult "Section 1931" coverage from 100% to 150% of the federal poverty level (FPL). To conform with this change, the bill also repeals language that made current HUSKY A adults in that range ineligible for assistance as of April 1, 2003. And it repeals language prohibiting DSS from accepting new HUSKY A adult coverage applications from adults with incomes between 100% and 150% of the FPL until July 1, 2005.

The bill restores the HUSKY program's continuous eligibility provisions which allow a child under the age of 19 who is determined eligible for either Part A (Medicaid) or Part B (State Children's Health Insurance Program (SCHIP)) benefits to remain eligible for these benefits for 12 months, regardless of any change in family circumstances. Currently, families of children in Part A or B must report any changes (e.g., earnings increase) that might affect their child's eligibility for HUSKY.

EFFECTIVE DATE: Upon passage

**BACKGROUND*****HUSKY, PA 03-02, and Court Case***

HUSKY provides subsidized health insurance for children up to the age of 19. Part A is Medicaid-funded coverage for children in families with incomes up to 185% of the FPL. Part B is funded with federal State Children's Health Insurance Program (SCHIP) block grant funds. It covers children in families with incomes between 185% and 300% of the FPL. In 1999, the legislature expanded health insurance coverage under Medicaid to parents and caretaker relatives of children enrolled in HUSKY Part A. Originally, the income limit for these individuals was set at 185% of the FPL; in 2000, the legislature lowered the limit to the 150% of FPL level.

Federal law (42 USC Sec. 1396a(e)(12)) gives states the option to provide continuous eligibility to children under age 19 regardless of changes in family circumstances that would otherwise make the children ineligible for Medicaid. In 1998, Connecticut implemented this option and extended it to children in HUSKY B.

Section 7 of PA 03-02 (1) reduced the income limit for adult caretaker relatives of children enrolled in Husky Part A from 150% to 100% of the FPL and (2) eliminated continuous eligibility for children in Parts A and B of HUSKY, effective April 1, 2003.

On March 28, 2003, Connecticut Legal Services filed suit in U.S. District Court (*Rabin v. Wilson Coker*, Docket Case # 03-CV-555) against the Department of Social Services (DSS) challenging DSS's implementation of both provisions in PA 03-02. On March 31, the judge hearing the case granted the plaintiffs a temporary restraining order, preventing DSS from proceeding with implementing these changes.

## **COMMITTEE ACTION**

Human Services Committee

Joint Favorable Report  
Yea 11 Nay 7