



General Assembly

February Session, 2004

Raised Bill No. 553

LCO No. 2056

02056_____HS_

Referred to Committee on Human Services

Introduced by:
(HS)

AN ACT CONCERNING REVISIONS TO THE MEDICAID PROGRAM.

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 public act 03-2, section 2 of public act 03-28, section 7 of
3 public act 03-268 and section 63 of public act 03-3 of the June 30 special
4 session, is repealed and the following is substituted in lieu thereof
5 (*Effective from passage*):

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

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

52 other disposition of property on eligibility for benefits or assistance.

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

59 (c) For the purposes of determining eligibility for the Medicaid
60 program, an available asset is one that is actually available to the
61 applicant or one that the applicant has the legal right, authority or
62 power to obtain or to have applied for the applicant's general or
63 medical support. If the terms of a trust provide for the support of an
64 applicant, the refusal of a trustee to make a distribution from the trust
65 does not render the trust an unavailable asset. Notwithstanding the
66 provisions of this subsection, the availability of funds in a trust or
67 similar instrument funded in whole or in part by the applicant or the
68 applicant's spouse shall be determined pursuant to the Omnibus
69 Budget Reconciliation Act of 1993, 42 USC 1396p. The provisions of
70 this subsection shall not apply to special needs trust, as defined in 42
71 USC 1396p(d)(4)(A).

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

76 (e) The Commissioner of Social Services shall seek a waiver from
77 federal law to permit federal financial participation for Medicaid
78 expenditures for families with incomes of one hundred forty-three per
79 cent of the temporary family assistance program payment standard.

80 [(f) Notwithstanding the provisions of subsection (a) of this section,
81 on or after April 1, 2003, all parent and needy caretaker relatives with
82 incomes exceeding one hundred per cent of the federal poverty level,

83 who are receiving medical assistance pursuant to this section, shall be
84 ineligible for such medical assistance. On and after February 28, 2003,
85 the Department of Social Services shall not accept applications for
86 medical assistance program coverage under Section 1931 of the Social
87 Security Act from parent and needy caretaker relatives with incomes
88 exceeding one hundred per cent of the federal poverty level until on or
89 after July 1, 2005.]

90 [(g)] (f) To the extent permitted by federal law, Medicaid eligibility
91 shall be extended for two years to a family who becomes ineligible for
92 medical assistance under Section 1931 of the Social Security Act while
93 employed or due to receipt of child support income or a family with an
94 adult who, within six months of becoming ineligible under Section
95 1931 of the Social Security Act becomes employed.

96 [(h) An institutionalized spouse applying for Medicaid and having a
97 spouse living in the community shall be required, to the maximum
98 extent permitted by law, to divert income to such community spouse
99 in order to raise the community spouse's income to the level of the
100 minimum monthly needs allowance, as described in Section 1924 of
101 the Social Security Act. Such diversion of income shall occur before the
102 community spouse is allowed to retain assets in excess of the
103 community spouse protected amount described in Section 1924 of the
104 Social Security Act. The Commissioner of Social Services, pursuant to
105 section 17b-10, may implement the provisions of this subsection while
106 in the process of adopting regulations, provided the commissioner
107 prints notice of intent to adopt the regulations in the Connecticut Law
108 Journal within twenty days of adopting such policy. Such policy shall
109 be valid until the time final regulations are effective.]

110 Sec. 2. Subsection (c) of section 17b-297 of the general statutes, as
111 amended by section 57 of public act 03-3 of the June 30 special session,
112 is repealed and the following is substituted in lieu thereof (*Effective*
113 *from passage*):

114 (c) The commissioner shall, within available appropriations,

115 contract with qualified entities authorized to grant presumptive
116 eligibility, severe need schools and community-based organizations for
117 purposes of public education, outreach and recruitment of eligible
118 children, including the distribution of applications and information
119 regarding enrollment in the HUSKY Plan, Part A and Part B. In
120 awarding such contracts, the commissioner shall consider the
121 marketing, outreach and recruitment efforts of organizations. For the
122 purposes of this subsection, (1) "community-based organizations" shall
123 include, but not be limited to, day care centers, schools, school-based
124 health clinics, community-based diagnostic and treatment centers and
125 hospitals, and (2) "severe need school" means a school in which forty
126 per cent or more of the lunches served are served to students who are
127 eligible for free or reduced price lunches.

128 Sec. 3. Section 17b-28e of the general statutes is repealed and the
129 following is substituted in lieu thereof (*Effective July 1, 2004*):

130 Not later than September 30, 2002, the Commissioner of Social
131 Services shall submit an amendment to the Medicaid state plan to
132 implement the provisions of public act 02-1 of the May 9 special
133 session* concerning optional services under the Medicaid program.
134 Optional services under the Medicaid plan shall include, but not be
135 limited to, interpreter services provided to deaf and hearing impaired
136 individuals while receiving medical treatment from a Medicaid
137 provider. Said state plan amendment shall supercede any regulations
138 of Connecticut state agencies concerning such optional services.

139 Sec. 4. Section 17b-282a of the general statutes is repealed and the
140 following is substituted in lieu thereof (*Effective July 1, 2004*):

141 (a) The Commissioner of Social Services, to the extent permitted by
142 federal law, shall amend the Medicaid state plan to provide coverage
143 for general anesthesia, nursing and related hospital services provided
144 in conjunction with dental services, provided such anesthesia, nursing
145 and related hospital services are provided in conjunction with in-
146 patient dental services if the following conditions are met:

147 (1) The anesthesia, nursing and related hospital services are deemed
148 medically necessary by the treating dentist or oral surgeon and the
149 patient's primary care physician in accordance with the department's
150 requirements for prior authorization of services, if required; and

151 (2) The patient is either (A) a child under the age of four who is
152 determined by a licensed dentist, in conjunction with a licensed
153 physician who specializes in primary care, to have a dental condition
154 of significant dental complexity that it requires certain dental
155 procedures to be performed in a hospital, or (B) a person who has a
156 developmental disability, as determined by a licensed physician who
157 specializes in primary care, that places the person at serious risk. The
158 expense of such anesthesia, nursing and related hospital services shall
159 be deemed a medical expense under such health insurance policy and
160 shall not be subject to any limits on dental benefits under such policy.

161 (b) The Commissioner of Social Services, to the extent permitted by
162 federal law, shall amend the Medicaid state plan, to provide coverage
163 for screening and treatment of periodontal disease for pregnant
164 women under the Medicaid program.

165 Sec. 5. Section 17b-292 of the general statutes, as amended by section
166 7 of public act 03-2 and section 56 of public act 03-3 of the June 30
167 special session, is repealed and the following is substituted in lieu
168 thereof (*Effective from passage*):

169 (a) A child who resides in a household with a family income which
170 exceeds one hundred eighty-five per cent of the federal poverty level
171 and does not exceed three hundred per cent of the federal poverty
172 level may be eligible for subsidized benefits under the HUSKY Plan,
173 Part B. The services and cost-sharing requirements under the HUSKY
174 Plan, Part B shall be substantially similar to the services and cost-
175 sharing requirements of the largest commercially available health plan
176 offered by a managed care organization, as defined in section 38a-478,
177 as amended, offered to residents in this state as measured by the
178 number of covered lives reported to the Department of Insurance in

179 the most recent audited annual report.

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

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

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

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

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

199 (g) The commissioner shall implement presumptive eligibility for
200 children applying for Medicaid. Such presumptive eligibility
201 determinations shall be in accordance with applicable federal law and
202 regulations. The commissioner shall adopt regulations, in accordance
203 with chapter 54, to establish standards and procedures for the
204 designation of organizations as qualified entities to grant presumptive
205 eligibility. In establishing such regulations, the commissioner shall
206 ensure the representation of state-wide and local organizations that
207 provide services to children of all ages in each region of the state.

208 [(f)] (h) The commissioner shall enter into a contract with an entity

209 to be a single point of entry servicer for applicants and enrollees under
210 the HUSKY Plan, Part A and Part B. The servicer shall jointly market
211 both Part A and Part B together as the HUSKY Plan. Such servicer shall
212 develop and implement public information and outreach activities
213 with community programs. Such servicer shall electronically transmit
214 data with respect to enrollment and disenrollment in the HUSKY Plan,
215 Part B to the commissioner who may transmit such data to the
216 Children's Health Council.

217 (i) To the extent permitted by federal law, the single point of entry
218 servicer may be one of the entities authorized to grant presumptive
219 eligibility under the HUSKY Plan, Part A.

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

226 [(h)] (k) Not more than twelve months after the determination of
227 eligibility for benefits under the HUSKY Plan, Part A and Part B and
228 annually thereafter, the commissioner or the servicer, as the case may
229 be, shall determine if the child continues to be eligible for the plan. The
230 commissioner or the servicer shall mail an application form to each
231 participant in the plan for the purposes of obtaining information to
232 make a determination on eligibility. To the extent permitted by federal
233 law, in determining eligibility for benefits under the HUSKY Plan, Part
234 A and Part B with respect to family income, the commissioner or the
235 servicer shall rely upon information provided in such form by the
236 participant unless the commissioner or the servicer has reason to
237 believe that such information is inaccurate or incomplete. The
238 determination of eligibility shall be coordinated with health plan open
239 enrollment periods.

240 [(i)] (l) The commissioner shall implement the HUSKY Plan, Part B

241 while in the process of adopting necessary policies and procedures in
242 regulation form in accordance with the provisions of section 17b-10.

243 [(j)] (m) The commissioner shall adopt regulations, in accordance
244 with chapter 54, to establish residency requirements and income
245 eligibility for participation in the HUSKY Plan, Part B and procedures
246 for a simplified mail-in application process. Notwithstanding the
247 provisions of section 17b-257b, such regulations shall provide that any
248 child adopted from another country by an individual who is a citizen
249 of the United States and a resident of this state shall be eligible for
250 benefits under the HUSKY Plan, Part B upon arrival in this state.

251 Sec. 6. Section 17b-278a of the general statutes is repealed and the
252 following is substituted in lieu thereof (*Effective July 1, 2004*):

253 [The] On or before September 30, 2004, the Commissioner of Social
254 Services shall amend the Medicaid state plan to provide coverage for
255 [treatment for] smoking cessation treatment ordered by a licensed
256 healthcare professional who possesses valid and current state licensure
257 to prescribe [such drugs in accordance with a plan developed by the
258 commissioner to provide] drugs utilized for smoking cessation
259 [services. The commissioner shall present such plan to the joint
260 standing committees of the General Assembly having cognizance of
261 matters relating to human services and appropriations by January 1,
262 2003, and, if such plan is approved by said committees and funding is
263 provided in the budget for the fiscal year ending June 30, 2004, such
264 plan shall be implemented on July 1, 2003] treatment. Treatment
265 programs shall include, but not be limited to, counseling and the use of
266 legend and nonlegend drugs to assist in the cessation of smoking.
267 Medicaid recipients shall be limited to not more than two such
268 treatment programs of a duration not to exceed ninety days in any
269 twelve month period.

270 Sec. 7. (NEW) (*Effective October 1, 2004*) The Commissioners of
271 Public Health and Social Services shall, within available
272 appropriations, establish a two-year demonstration project for the

273 delivery of dental services provided to persons enrolled in the
274 Medicaid, HUSKY Plan, Part A and Part B or the state-administered
275 general assistance programs. Such demonstration project shall be
276 established and operated in one of the three geographic regions that
277 comprise the state's human services delivery system established
278 pursuant to section 17b-6 of the general statutes. The project shall
279 provide for the design and implementation of a model integrated
280 system of dental care in such region to persons enrolled in such
281 programs and shall include: (1) The delivery of dental care by private
282 dental offices not currently providing services to beneficiaries of such
283 programs; (2) application of private insurance plan procedures, fee
284 schedules and payment mechanisms; and (3) measurable outcomes to
285 be derived from such project. Not later than January 1, 2007, the
286 Commissioners of Public Health and Social Services shall, in
287 accordance with the provisions of section 11-4a, of the general statutes,
288 submit a joint report on the operation and effectiveness of the
289 demonstration project to the joint standing committees of the General
290 Assembly having cognizance of matters relating to public health and
291 human services.

292 Sec. 8. Section 17b-290 of the general statutes, as amended by section
293 73 of public act 03-3 of the June 30 special session, is repealed and the
294 following is substituted in lieu thereof (*Effective from passage*):

295 As used in sections 17b-289 to 17b-303, inclusive, [section 72 of this
296 act,] and section 16 of public act 97-1 of the October 29 special session*:

297 (1) "Applicant" means an individual over the age of eighteen years
298 who is a natural or adoptive parent or a legal guardian; a caretaker
299 relative, foster parent or stepparent with whom the child resides; or a
300 noncustodial parent under order of a court or family support
301 magistrate to provide health insurance, who applies for coverage
302 under the HUSKY Plan, Part B on behalf of a child and shall include a
303 child who is eighteen years of age or emancipated in accordance with
304 the provisions of sections 46b-150 to 46b-150e, inclusive, and who is

305 applying on his own behalf or on behalf of a minor dependent for
306 coverage under such plan;

307 (2) "Child" means an individual under nineteen years of age;

308 (3) "Coinsurance" means the sharing of health care expenses by the
309 insured and an insurer in a specified ratio;

310 (4) "Commissioner" means the Commissioner of Social Services;

311 (5) "Copayment" means a payment made on behalf of an enrollee for
312 a specified service under the HUSKY Plan, Part B;

313 (6) "Cost sharing" means arrangements made on behalf of an
314 enrollee whereby an applicant pays a portion of the cost of health
315 services, sharing costs with the state and includes copayments,
316 premiums, deductibles and coinsurance;

317 (7) "Deductible" means the amount of out-of-pocket expenses that
318 would be paid for health services on behalf of an enrollee before
319 becoming payable by the insurer;

320 (8) "Department" means the Department of Social Services;

321 (9) "Durable medical equipment" means durable medical
322 equipment, as defined in Section 1395x(n) of the Social Security Act;

323 (10) "Eligible beneficiary" means a child who meets the
324 requirements specified in section 17b-292, as amended by this act,
325 except a child excluded under the provisions of Subtitle J of Public
326 Law 105-33 or a child of any municipal employee eligible for
327 employer-sponsored insurance on or after October 30, 1997, provided a
328 child of such a municipal employee may be eligible for coverage under
329 the HUSKY Plan, Part B if dependent coverage was terminated due to
330 an extreme economic hardship on the part of the employee, as
331 determined by the commissioner;

332 (11) "Enrollee" means an eligible beneficiary who receives services

333 from a managed care plan under the HUSKY Plan, Part B;

334 (12) "Family" means any combination of the following: (A) An
335 individual; (B) the individual's spouse; (C) any child of the individual
336 or such spouse; or (D) the legal guardian of any such child if the
337 guardian resides with the child;

338 (13) "HUSKY Plan, Part A" means assistance provided to children
339 pursuant to section 17b-261, as amended by this act;

340 (14) "HUSKY Plan, Part B" means the health insurance plan for
341 children established pursuant to the provisions of sections 17b-289 to
342 17b-303, inclusive, and section 16 of public act 97-1 of the October 29
343 special session*;

344 (15) "HUSKY Plus programs" means two supplemental health
345 insurance programs established pursuant to section 17b-294 for
346 medically eligible enrollees of the HUSKY Plan, Part B whose medical
347 needs cannot be accommodated within the basic benefit package
348 offered to enrollees. One program shall supplement coverage for those
349 medically eligible enrollees with intensive physical health needs and
350 the other program shall supplement coverage for those medically
351 eligible enrollees with intensive behavioral health needs;

352 (16) "Income" means income as calculated in the same manner as
353 under the Medicaid program pursuant to section 17b-261, as amended
354 by this act;

355 (17) "Managed care plan" means a plan offered by an entity that
356 contracts with the department to provide benefits to enrollees on a
357 prepaid basis;

358 (18) "Parent" means a natural parent, stepparent, adoptive parent,
359 guardian or custodian of a child;

360 (19) "Premium" means any required payment made by an
361 individual to offset or pay in full the capitation rate under the HUSKY

362 Plan, Part B;

363 (20) "Preventive care and services" means: (A) Child preventive
364 care, including periodic and interperiodic well-child visits, routine
365 immunizations, health screenings and routine laboratory tests; (B)
366 prenatal care, including care of all complications of pregnancy; (C) care
367 of newborn infants, including attendance at high-risk deliveries and
368 normal newborn care; (D) WIC evaluations; (E) child abuse assessment
369 required under sections 17a-106a and 46b-129a; (F) preventive dental
370 care for children; and (G) periodicity schedules and reporting based on
371 the standards specified by the American Academy of Pediatrics;

372 (21) "Primary and preventive health care services" means the
373 services of licensed physicians, optometrists, nurses, nurse
374 practitioners, midwives and other related health care professionals
375 which are provided on an outpatient basis, including routine well-
376 child visits, diagnosis and treatment of illness and injury, laboratory
377 tests, diagnostic x-rays, prescription drugs, radiation therapy,
378 chemotherapy, hemodialysis, emergency room services, and outpatient
379 alcohol and substance abuse services, as defined by the commissioner;

380 (22) "Qualified entity" means any entity: (A) Eligible for payments
381 under a state plan approved under Medicaid and which provides
382 medical services under the HUSKY Plan, Part A, or (B) that is a
383 qualified entity, as defined in 42 USC 1396r-1a, as amended by Section
384 708 of Public Law 106-554 and that is determined by the commissioner
385 to be capable of making the determination of eligibility. The
386 commissioner shall provide qualified entities with such forms as are
387 necessary for an application to be made on behalf of a child under the
388 HUSKY Plan, Part A and information on how to assist parents,
389 guardians and other persons in completing and filing such forms;

390 (23) "WIC" means the federal Special Supplemental Food Program
391 for Women, Infants and Children administered by the Department of
392 Public Health pursuant to section 19a-59c.

393 Sec. 9. (*Effective from passage*) Section 12 of public act 03-2, sections 69
394 and 72 of public act 03-3 of the June 30 special session and section 11 of
395 public act 03-1 of the September 8 special session are repealed.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>
Sec. 3	<i>July 1, 2004</i>
Sec. 4	<i>July 1, 2004</i>
Sec. 5	<i>from passage</i>
Sec. 6	<i>July 1, 2004</i>
Sec. 7	<i>October 1, 2004</i>
Sec. 8	<i>from passage</i>
Sec. 9	<i>from passage</i>

Statement of Purpose:

To enhance the Medicaid program by: (1) Restoring presumptive and guaranteed eligibility, (2) eliminating recently enacted co-payment requirements; (3) restoring eligibility in the program for parents and needy caretaker relatives with income up to one hundred fifty per cent of the federal poverty level; (4) eliminating administrative and eligibility changes mandated by public act 03-3 of the June 30 special session; (5) expanding availability of smoking cessation treatment programs; and (6) establishing a demonstration project to improve the delivery of dental services.

[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.]