



# House of Representatives

General Assembly

**File No. 331**

*January Session, 2005*

House Bill No. 6693

*House of Representatives, April 13, 2005*

The Committee on Public Health reported through REP. SAYERS of the 60th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

***AN ACT CONCERNING ELIGIBILITY OF PERSONS RECEIVING SERVICES FROM THE DEPARTMENT OF MENTAL RETARDATION AND ENROLLMENT IN FEDERALLY-FUNDED PROGRAMS.***

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

1 Section 1. Section 17a-218 of the general statutes is amended by  
2 adding subsection (g) as follows (*Effective July 1, 2005*):

3 (NEW) (g) Any person who is in or is seeking a placement through  
4 the Department of Mental Retardation or is receiving any support or  
5 service that is included within or covered by any federal program  
6 being administered and operated by the Department of Social Services  
7 and the Department of Mental Retardation, and who meets the  
8 eligibility criteria for the federal program, shall enroll in such program  
9 in order to continue in the existing placement or to remain eligible for  
10 a placement or continue to receive such support or service. Any person  
11 who is ineligible for such federal program due to excess income or  
12 assets may continue in existing placement, or continue to receive

13 existing supports and services through the Department of Mental  
14 Retardation while spending down available excess income and assets  
15 until such person qualifies for enrollment in the applicable federal  
16 program.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2005</i>	17a-218

**PH**      *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:

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**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
Departments of Mental Retardation and Social Services	GF - None	See Below	See Below
General Fund Revenue	GF-Revenue Gain	Significant	Significant

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill makes enrollment in a Medicaid waiver a condition of receiving Department of Mental Retardation services or continuing to receive services. Any revenue generated as reimbursement under Medicaid (50% reimbursement of costs) is General Fund revenue and not retained by the department.

There are an estimated 1,100 different individuals receiving residential and/or day services funded by the Department of Mental Retardation that are not enrolled in the department’s Medicaid waiver programs. This represents an estimated \$39 million in department costs that are currently not being reimbursed. It is not clear how much revenue will be generated as a direct result of this bill due to many factors such as: the current department practice and commitment of resources to address this issue; identification of these individuals and addressing their specific reasons for not being enrolled; actual amount of billable costs and resulting reimbursement; and the implementation of the mandatory enrollment requirement by the department (and the Department of Social Services as the Medicaid agency). It should be noted that the department generated over \$303.2 million in federal reimbursement under Medicaid in FY 04 (of which \$205.3 million was under Medicaid’s Home & Community Based Services waiver).

For seventy per cent (70%) of the total 1,100 individuals identified above, there has not been a documented waiver eligibility determination made. Five per cent (5%) of the total, have been identified as refusing to enroll and the remaining twenty-five per cent (25%) have been identified as ineligible for the waiver at the time of data reporting (due to excess income or asset). The bill does not specify how the department would implement the “spend down” (for those ineligible due to excess income or assets) and whether this would impact other potential collections. However, to the extent that these individuals would expend their own available assets toward their existing state funded programs, state dollars may be made available for others in need of resources. It is also anticipated that any resources that become available due to continued refusal of enrollment will be reallocated to individuals the department has identified as in need of services.

The actual revenue generated under Medicaid will depend on how the department implements this mandatory enrollment process and the resulting increased revenue under the department’s Medicaid waiver programs. However, to the extent that:

- 10% of the total potential revenue is generated then \$1.95 million would result;
- 25% of the total potential revenue is generated then \$4.9 million would result;
- 50% of the total potential revenue is generated then \$9.7 million would result; or
- 75% of the total potential revenue is generated then \$14.6 million would result.

Under current law a department client is liable for reimbursing the state for the cost of support, unless Medicaid eligible. However, it is assumed for the estimation given above, that these 1,100 individuals have previously not been reimbursing the state for cost of care (as

defined in CGS 17b-222 to 224).

**OLR Bill Analysis**

HB 6693

***AN ACT CONCERNING ELIGIBILITY OF PERSONS RECEIVING SERVICES FROM THE DEPARTMENT OF MENTAL RETARDATION AND ENROLLMENT IN FEDERALLY-FUNDED PROGRAMS*****SUMMARY:**

This bill requires anyone receiving or applying for residential placement through the Department of Mental Retardation (DMR) or receiving service or support from it to enroll in Medicaid and the department's Medicaid waiver programs. It makes enrollment a condition for continuing an individual's placement, support, or services and eligibility for placement.

The bill applies to people (1) currently living in a DMR residential placement (e.g., Southbury Training School, a regional center, or a community living arrangement) and those seeking placement and (2) receiving any DMR support or service included in or covered by any federal program administered and operated by DMR and the Department of Social Services (e.g. Medicaid), if they are eligible for the program.

Under the bill, anyone whose excess income or assets make him ineligible for Medicaid can remain in his placement or continue to receive DMR supports and services while "spending down" that income and assets until he qualifies.

EFFECTIVE DATE: July 1, 2005

**BACKGROUND*****DMR Home- and Community-Based Waivers***

DMR currently has two waiver programs, which allow the state to receive Medicaid reimbursement for services DMR provides to enrolled people. The home and community-based services waiver is targeted at individuals whose needs might lead to their placement in an institutional setting. Based on those needs, an individual might

receive support to help attain daily living or social skills, learn vocational skills, and obtain or maintain a job.

The second waiver, called an Independence Plus waiver, was received in January 2005. It is targeted at people who choose to “self-direct,” that is, determine the services they need, choose how and from whom they will obtain those services, and handle the financial arrangements to do so. Under this waiver, people can obtain personal care assistance, group day care, transportation, vehicle modification, and specialized medical equipment, among other services.

***Liability for Cost of Services***

By law, a DMR client or his estate is liable for reimbursing the state for the cost of his support, unless he is eligible for Medicaid (CGS §§ 17b-222 to -224).

**COMMITTEE ACTION**

Public Health Committee

Joint Favorable Report  
Yea 24 Nay 0