



Senate

General Assembly

File No. 62

January Session, 2005

Senate Bill No. 1155

Senate, March 24, 2005

The Committee on Human Services reported through SEN. HANDLEY of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

**AN ACT CONCERNING TRANSITIONAL MEDICAL ASSISTANCE
COMPLIANCE WITH FEDERAL LAW.**

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

1 Section 1. Subsection (g) of section 17b-261 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2005*):

4 (g) To the extent permitted by federal law, Medicaid eligibility shall
5 be extended for two years to a family that becomes ineligible for
6 medical assistance under Section 1931 of the Social Security Act while
7 one of its members who is a caretaker relative is employed or due to
8 receipt of child support income. [or a family with an adult who, within
9 six months of becoming ineligible under Section 1931 of the Social
10 Security Act becomes employed.]

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2005</i>	17b-261(g)
-----------	---------------------	------------

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-Effect	FY 06 \$	FY 07 \$
Department of Social Services	GF - Savings	Minimal	Minimal

Municipal Impact: None

Explanation

This bill eliminates transitional Medicaid benefits in cases where the adult family member becomes employed within six months of losing standard Medicaid benefits. This change brings the state Medicaid program into compliance with federal law. The elimination of benefits to these cases will result in savings to the state's Medicaid program (which currently spends approximately \$2,278 per enrollee annually). However, this savings is expected to be minimal as there are currently few, if any, cases to which this change would apply.

OLR Bill Analysis

SB 1155

***AN ACT CONCERNING TRANSITIONAL MEDICAL ASSISTANCE
COMPLIANCE WITH FEDERAL LAW*****SUMMARY:**

This bill brings state law into compliance with federal Medicaid law by limiting who can receive the two-year extension of Medicaid benefits (i.e., transitional Medicaid (HUSKY A in Connecticut)). Currently, to qualify for this two-year extension, family income must go above the program's limit (100% of federal poverty level (FPL) (\$12,832 annually for a family of two)) and one of the following criteria must be met: (1) an adult caretaker relative in the family is working, or becomes employed within six months of losing Medicaid eligibility or (2) the family receives child support income that brings it over the limit.

The bill eliminates DSS' authority to grant assistance in cases where the adult becomes employed within six months. Federal law does not allow transitional Medicaid to be provided under these circumstances.

EFFECTIVE DATE: July 1, 2005

BACKGROUND***Related Act***

PA 05-1 extends HUSKY A benefits for certain adults with incomes above 100% of the FPL until June 30, 2005. These families had been receiving this assistance on a transitional basis, as ordered by a U.S. appeals court judge. The assistance ends on March 31, 2005.

Connecticut's Medicaid Coverage for Low Income Families

For many years, DSS has provided transitional Medicaid to individuals who lose their eligibility under a different category of Medicaid because their earnings are too high. Before the 1996 federal welfare reform legislation (the Personal Responsibility Work Opportunities Reconciliation Act or PRWORA), Connecticut provided Medicaid to cash assistance recipients and an additional two years of transitional

Medicaid to families who lost their eligibility for Medicaid because they left the Aid to Families with Dependent Children (AFDC) program.

PRWORA de-linked cash assistance from Medicaid, but it required states to offer Medicaid (Section 1931 coverage) to low income families using eligibility limits that were no more restrictive than when the programs were linked. (At the time, DSS was running its welfare reform program through a federal waiver, in which families could get up to 21 months of cash assistance and Medicaid.) Once cash assistance ended (family income reached 100% of the FPL), the waiver included the two years of transitional Medicaid and established the six-month employment criterion.

PRWORA also allowed states to continue their waiver programs until they expired. Connecticut's waiver expired on September 30, 2001. DSS continued to provide the transitional coverage using the six-month criterion through a Medicaid state plan amendment, approved by the federal government. Subsequently, CMS notified DSS that it had approved this provision in error and required it to be removed from the plan, citing a federal Medicaid law that requires states to treat Medicaid applicants and recipients equitably, which the six-month criterion violated. DSS has stated that very few, if any, individuals presently receive transitional benefits under this criterion (it is not granting it to any new clients, but there may be a few who were granted it before CMS prohibited it) but failure to eliminate it could jeopardize federal Medicaid matching funds.

PRWORA requires states to provide one year of transitional assistance once they lose their Section 1931 eligibility but Connecticut has continued to provide two years using other provisions in the Medicaid law.

Although children in these families get the transitional coverage with the adult, they can get ongoing HUSKY A coverage even when the family is ineligible for transitional assistance, provided family income does not exceed 185% of the FPL

COMMITTEE ACTION

Human Services Committee

Joint Favorable Report
Yea 16 Nay 0