



General Assembly

January Session, 2005

Raised Bill No. 6790

LCO No. 3861

03861_____PRI

Referred to Committee on Program Review and Investigations

Introduced by:
(PRI)

**AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE
LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS
COMMITTEE RELATIVE TO THE MEDICAID ELIGIBILITY
DETERMINATION PROCESS.**

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

1 Section 1. Section 17b-277 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2005*):

3 (a) The Commissioner of Social Services shall provide, in accordance
4 with federal law and regulations, medical assistance under the
5 Medicaid program to needy pregnant women and children up to one
6 year of age whose families have an income up to one hundred eighty-
7 five per cent of the federal poverty level.

8 (b) The commissioner shall [implement presumptive] expedite
9 eligibility for appropriate applicants for the Medicaid program with an
10 emphasis on pregnant women. [Such presumptive eligibility
11 determinations shall be in accordance with applicable federal law and
12 regulations. The commissioner shall provide such presumptive
13 eligibility determinations on a pilot basis, in one district office,
14 beginning June 1, 1991, and shall provide them state-wide effective

15 September 1, 1991.] The process for making expedited eligibility
16 determinations concerning needy pregnant women shall ensure that
17 emergency applications for assistance, as determined by the
18 commissioner, shall be processed no later than twenty-four hours after
19 receipt of all required information from the applicant, and that
20 nonemergency applications for assistance, as determined by the
21 commissioner, shall be processed no later than five calendar days after
22 the date of receipt of all required information from the applicant.

23 (c) The commissioner shall submit quarterly reports to the council,
24 established pursuant to section 17b-28, on the department's compliance
25 with the administrative processing requirements set forth in subsection
26 (b) of this section.

27 Sec. 2. Section 17b-292 of the general statutes is repealed and the
28 following is substituted in lieu thereof (*Effective July 1, 2005*):

29 (a) A child who resides in a household with a family income which
30 exceeds one hundred eighty-five per cent of the federal poverty level
31 and does not exceed three hundred per cent of the federal poverty
32 level may be eligible for subsidized benefits under the HUSKY Plan,
33 Part B. The services and cost-sharing requirements under the HUSKY
34 Plan, Part B shall be substantially similar to the services and cost-
35 sharing requirements of the largest commercially available health plan
36 offered by a managed care organization, as defined in section 38a-478,
37 offered to residents in this state as measured by the number of covered
38 lives reported to the Insurance Department in the most recent audited
39 annual report.

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

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

46 (d) To the extent allowed under federal law, the commissioner shall
47 not pay for services or durable medical equipment under the HUSKY
48 Plan, Part B if the enrollee has other insurance coverage for the services
49 or such equipment.

50 (e) A newborn child who otherwise meets the eligibility criteria for
51 the HUSKY Plan, Part B shall be eligible for benefits retroactive to his
52 date of birth, provided an application is filed on behalf of the child
53 within thirty days of such date.

54 (f) The commissioner shall implement presumptive eligibility for
55 children applying for Medicaid. Such presumptive eligibility
56 determinations shall be in accordance with applicable federal law and
57 regulations. The commissioner shall adopt regulations, in accordance
58 with chapter 54, to establish standards and procedures for the
59 designation of organizations as qualified entities to grant presumptive
60 eligibility. Qualified entities shall ensure that, at the time a
61 presumptive eligibility determination is made, a completed application
62 for Medicaid is submitted to the department for a full eligibility
63 determination. In establishing such standards and procedures, the
64 commissioner shall ensure the representation of state-wide and local
65 organizations that provide services to children of all ages in each
66 region of the state.

67 ~~[(f)]~~ (g) The commissioner shall enter into a contract with an entity
68 to be a single point of entry servicer for applicants and enrollees under
69 the HUSKY Plan, Part A and Part B. The servicer shall jointly market
70 both Part A and Part B together as the HUSKY Plan. Such servicer shall
71 develop and implement public information and outreach activities
72 with community programs. Such servicer shall electronically transmit
73 data with respect to enrollment and disenrollment in the HUSKY Plan,
74 Part B to the commissioner.

75 (h) Upon the expiration of any contractual provisions entered into
76 pursuant to subsection (g) of this section, the commissioner shall
77 develop a new contract for single point of entry services and Medicaid

78 managed care enrollment brokerage services. The commissioner may
79 enter into one or more contractual arrangements for such services for a
80 contract period not to exceed five years. Such contracts shall include
81 performance measures, including, but not limited to, specified time
82 limits for the processing of applications, parameters setting forth the
83 requirements for a completed and reviewable application and the
84 percentage of applications forwarded to the department in a complete
85 and timely fashion. Such contracts shall also include a process for
86 identifying and correcting noncompliance with established
87 performance measures, including sanctions applicable for instances of
88 continued noncompliance with performance measures.

89 [(g)] (i) The single point of entry servicer shall send an application
90 and supporting documents to the commissioner for determination of
91 eligibility of a child who resides in a household with a family income
92 of one hundred eighty-five per cent or less of the federal poverty level.
93 The servicer shall enroll eligible beneficiaries in the applicant's choice
94 of managed care plan. Upon enrollment in a managed care plan, the
95 applicant shall remain enrolled in such managed care plan for six
96 months from the date of such enrollment unless the applicant
97 demonstrates good cause to the satisfaction of the commissioner of the
98 need to enroll in a different managed care plan.

99 [(h)] (j) Not more than twelve months after the determination of
100 eligibility for benefits under the HUSKY Plan, Part A and Part B and
101 annually thereafter, the commissioner or the servicer, as the case may
102 be, shall determine if the child continues to be eligible for the plan. The
103 commissioner or the servicer shall mail an application form to each
104 participant in the plan for the purposes of obtaining information to
105 make a determination on eligibility. To the extent permitted by federal
106 law, in determining eligibility for benefits under the HUSKY Plan, Part
107 A and Part B with respect to family income, the commissioner or the
108 servicer shall rely upon information provided in such form by the
109 participant unless the commissioner or the servicer has reason to
110 believe that such information is inaccurate or incomplete. The

111 determination of eligibility shall be coordinated with health plan open
112 enrollment periods.

113 (k) The commissioner shall develop a system to allow applicants for
114 health insurance coverage under HUSKY Plan, Part A and Part B to
115 complete such applications on-line through use of the Internet. Such
116 system shall provide for: (1) The automated transmittal of application
117 data to the department's computerized eligibility management system,
118 (2) the acceptance of electronic signatures, (3) a mechanism that
119 ensures that only completed applications may be electronically
120 forwarded to the department, and (4) security measures that ensure
121 that information provided in such on-line applications remain subject
122 to the protections of section 17b-90 and the federal Health Insurance
123 Portability and Accountability Act of 1996, Public Law 104-191. Such
124 system shall be available on a pilot basis not later than March 1, 2006,
125 and shall be available state-wide not later than July 1, 2006. The
126 commissioner shall collaborate with qualified entities, managed care
127 plans and providers to promote the use of such an on-line system.

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

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

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

141 (a) Medical assistance shall be provided for any otherwise eligible

142 person whose income, including any available support from legally
143 liable relatives and the income of the person's spouse or dependent
144 child, is not more than one hundred forty-three per cent, pending
145 approval of a federal waiver applied for pursuant to subsection (d) of
146 this section, of the benefit amount paid to a person with no income
147 under the temporary family assistance program in the appropriate
148 region of residence and if such person is an institutionalized
149 individual as defined in Section 1917(c) of the Social Security Act, 42
150 USC 1396p(c), and has not made an assignment or transfer or other
151 disposition of property for less than fair market value for the purpose
152 of establishing eligibility for benefits or assistance under this section.
153 An eligibility determination for medical assistance in accordance with
154 the provisions of this section shall be separate and distinct from a
155 determination of eligibility for any other program operated or
156 administered by the Department of Social Services. Any such
157 disposition shall be treated in accordance with Section 1917(c) of the
158 Social Security Act, 42 USC 1396p(c). Any disposition of property
159 made on behalf of an applicant or recipient or the spouse of an
160 applicant or recipient by a guardian, conservator, person authorized to
161 make such disposition pursuant to a power of attorney or other person
162 so authorized by law shall be attributed to such applicant, recipient or
163 spouse. A disposition of property ordered by a court shall be evaluated
164 in accordance with the standards applied to any other such disposition
165 for the purpose of determining eligibility. The commissioner shall
166 establish the standards for eligibility for medical assistance at one
167 hundred forty-three per cent of the benefit amount paid to a family
168 unit of equal size with no income under the temporary family
169 assistance program in the appropriate region of residence, pending
170 federal approval, except that the medical assistance program shall
171 provide coverage to persons under the age of nineteen up to one
172 hundred eighty-five per cent of the federal poverty level without an
173 asset limit. Said medical assistance program shall also provide
174 coverage to persons under the age of nineteen and their parents and
175 needy caretaker relatives who qualify for coverage under Section 1931

176 of the Social Security Act with family income up to one hundred per
177 cent of the federal poverty level without an asset limit, upon the
178 request of such a person or upon a redetermination of eligibility. Such
179 levels shall be based on the regional differences in such benefit
180 amount, if applicable, unless such levels based on regional differences
181 are not in conformance with federal law. Any income in excess of the
182 applicable amounts shall be applied as may be required by said federal
183 law, and assistance shall be granted for the balance of the cost of
184 authorized medical assistance. All contracts entered into on and after
185 July 1, 1997, pursuant to this section shall include provisions for
186 collaboration of managed care organizations with the Healthy Families
187 Connecticut Program established pursuant to section 17a-56. The
188 Commissioner of Social Services shall provide applicants for assistance
189 under this section, at the time of application, with a written statement
190 advising them of the effect of an assignment or transfer or other
191 disposition of property on eligibility for benefits or assistance.

192 (b) For the purposes of the Medicaid program, the Commissioner of
193 Social Services shall consider parental income and resources as
194 available to a child under eighteen years of age who is living with his
195 or her parents and is blind or disabled for purposes of the Medicaid
196 program, or to any other child under twenty-one years of age who is
197 living with his or her parents.

198 (c) For the purposes of determining eligibility for the Medicaid
199 program, an available asset is one that is actually available to the
200 applicant or one that the applicant has the legal right, authority or
201 power to obtain or to have applied for the applicant's general or
202 medical support. If the terms of a trust provide for the support of an
203 applicant, the refusal of a trustee to make a distribution from the trust
204 does not render the trust an unavailable asset. Notwithstanding the
205 provisions of this subsection, the availability of funds in a trust or
206 similar instrument funded in whole or in part by the applicant or the
207 applicant's spouse shall be determined pursuant to the Omnibus
208 Budget Reconciliation Act of 1993, 42 USC 1396p. The provisions of

209 this subsection shall not apply to special needs trust, as defined in 42
210 USC 1396p(d)(4)(A).

211 (d) The transfer of an asset in exchange for other valuable
212 consideration shall be allowable to the extent the value of the other
213 valuable consideration is equal to or greater than the value of the asset
214 transferred.

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

219 (f) Notwithstanding the provisions of subsection (a) of this section,
220 on or after April 1, 2003, all parent and needy caretaker relatives with
221 incomes exceeding one hundred per cent of the federal poverty level,
222 who are receiving medical assistance pursuant to this section, shall be
223 ineligible for such medical assistance. On and after February 28, 2003,
224 the Department of Social Services shall not accept applications for
225 medical assistance program coverage under Section 1931 of the Social
226 Security Act from parent and needy caretaker relatives with incomes
227 exceeding one hundred per cent of the federal poverty level until on or
228 after July 1, 2005.

229 (g) To the extent permitted by federal law, Medicaid eligibility shall
230 be extended for two years to a family that becomes ineligible for
231 medical assistance under Section 1931 of the Social Security Act while
232 one of its members who is a caretaker relative is employed or due to
233 receipt of child support income or a family with an adult who, within
234 six months of becoming ineligible under Section 1931 of the Social
235 Security Act becomes employed.

236 (h) An institutionalized spouse applying for Medicaid and having a
237 spouse living in the community shall be required, to the maximum
238 extent permitted by law, to divert income to such community spouse
239 in order to raise the community spouse's income to the level of the

240 minimum monthly needs allowance, as described in Section 1924 of
241 the Social Security Act. Such diversion of income shall occur before the
242 community spouse is allowed to retain assets in excess of the
243 community spouse protected amount described in Section 1924 of the
244 Social Security Act. The Commissioner of Social Services, pursuant to
245 section 17b-10, may implement the provisions of this subsection while
246 in the process of adopting regulations, provided the commissioner
247 prints notice of intent to adopt the regulations in the Connecticut Law
248 Journal within twenty days of adopting such policy. Such policy shall
249 be valid until the time final regulations are effective.

250 (i) The Commissioner of Social Services shall submit an application
251 for a waiver from federal law to the Centers for Medicare and
252 Medicaid Services to permit the standard of promptness for processing
253 Medicaid long-term care applications to be extended from forty-five
254 days to ninety days and to provide that the redetermination period for
255 Medicaid long-term care applications be extended from one year to
256 two years.

257 Sec. 4. (*Effective July 1, 2005*) The Commissioner of Social Services, in
258 consultation with the department's regional administrators, shall
259 monitor the processing of Medicaid applications by the district offices
260 of the department to determine whether there are variations between
261 such offices concerning overdue applications, denial of applications
262 and redeterminations for program eligibility, and if such variations are
263 found to exist, the reasons therefor. Not later than January 1, 2006, the
264 commissioner shall report, in accordance with section 11-4a of the
265 general statutes, findings on the causes of variation in the processing
266 of Medicaid applications by the district offices of the department,
267 including any quantitative or qualitative factors that contribute to such
268 variation, to the joint standing committee of the General Assembly
269 having cognizance of matters relating to human services.

270 Sec. 5. (*Effective July 1, 2005*) The sum of ____ dollars is appropriated
271 to the Department of Social Services, from the General Fund, for the

272 fiscal year ending June 30, 2006, for personal services to permit the
273 department to hire an additional fourteen eligibility determination
274 employees to facilitate the expeditious processing of applications for
275 programs administered or operated by the department.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>July 1, 2005</i> | 17b-277 |
| Sec. 2 | <i>July 1, 2005</i> | 17b-292 |
| Sec. 3 | <i>July 1, 2005</i> | 17b-261 |
| Sec. 4 | <i>July 1, 2005</i> | New section |
| Sec. 5 | <i>July 1, 2005</i> | New section |

Statement of Purpose:

To implement the recommendations of the Legislative Program Review and Investigations Committee relative to the Medicaid eligibility determination process.

[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.]