



House of Representatives

General Assembly

File No. 281

January Session, 2007

House Bill No. 5484

House of Representatives, April 3, 2007

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 ELIGIBILITY FOR THE FEDERAL SPECIFIED LOW-INCOME MEDICARE BENEFICIARY PROGRAM AND THE QUALIFYING INDIVIDUAL PROGRAM.

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

1 Section 1. Subsection (f) of section 17b-492 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2007*):

4 (f) The Commissioner of Social Services may be the authorized
5 representative of a ConnPACE applicant or recipient for purposes of:
6 [enrolling] (1) Enrolling in a Medicare Part D plan, [or] (2) submitting
7 an application to the Social Security Administration to obtain the low
8 income subsidy benefit provided under Public Law 108-173, the
9 Medicare Prescription Drug, Improvement, and Modernization Act of
10 2003, or (3) facilitating the enrollment in a Medicare Savings Program
11 of any applicant or recipient who elects to participate in said program.
12 The applicant or recipient shall have the opportunity to select a
13 Medicare Part D plan and shall be notified of such opportunity by the

14 commissioner. The applicant or recipient, prior to selecting a Medicare
 15 Part D plan, shall have the opportunity to consult with the
 16 commissioner, or the commissioner's designated agent, concerning the
 17 selection of a Medicare Part D plan that best meets the prescription
 18 drug needs of such applicant or recipient. In the event that such
 19 applicant or recipient does not select a Medicare Part D plan within a
 20 reasonable period of time, as determined by the commissioner, the
 21 commissioner shall enroll the applicant or recipient in a Medicare Part
 22 D plan designated by the commissioner in accordance with said act.
 23 The applicant or recipient shall appoint the commissioner as such
 24 applicant's or recipient's representative for the purpose of appealing
 25 any denial of Medicare Part D benefits and for any other purpose
 26 allowed under said act and deemed necessary by the commissioner.

27 Sec. 2. (NEW) (*Effective July 1, 2007*) Beginning with the fiscal year
 28 ending June 30, 2008, and for each fiscal year thereafter, the
 29 Commissioner of Social Services shall increase income disregards used
 30 to determine eligibility by the Department of Social Services for the
 31 federal Specified Low-Income Medicare Beneficiary and the Qualifying
 32 Individual Programs, administered in accordance with the provisions
 33 of 42 USC 1396d(p), by an amount that has the effect of equalizing the
 34 income levels used to determine eligibility for said programs with
 35 income levels used to determine eligibility for the ConnPACE program
 36 as prescribed in subsection (a) of section 17b-492 of the general
 37 statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	17b-492(f)
Sec. 2	<i>July 1, 2007</i>	New section

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 chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Department of Social Services	GF - Savings	\$4,500,000	\$4,500,000

Municipal Impact: None

Explanation

This bill requires the Department of Social Services (DSS) to increase the income disregards for two Medicare Savings Programs to income limits in effect for the ConnPACE program. This change will allow certain people currently eligible for ConnPACE (a fully state funded program) to access pharmaceuticals under the Low Income Subsidy portion of the federal Medicare Part D program.

DSS currently pays the monthly Medicare Part B premiums, co-pays and deductibles for most of the clients in the Medicare Savings Program. These costs are funded through a combination of Medicaid (50% federal / 50% state) and a federal block grant under the Additional Low-Income Medicare Beneficiary (ALMB) program. It is anticipated that through an increase in the income disregard (and a related change in asset test), enrollment in the Medicare Savings programs will increase by 23,150 annually. Through a full utilization of the ALMB block grant and the federal share under Medicaid, these clients will result in a net increased cost to the state of \$13,300,000.

This increased cost will be offset by the elimination of the ConnPACE costs for clients who move to the Medicare Savings Program. The ConnPACE savings is estimated to be \$17,800,000 annually. Therefore, it is estimated that the eligibility changes in this bill, by shifting current state costs to a combination of federal and state

funds, will save the state \$4,500,000 annually.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**HB 5484*****AN ACT CONCERNING ELIGIBILITY FOR THE FEDERAL SPECIFIED LOW-INCOME MEDICARE BENEFICIARY PROGRAM AND THE QUALIFYING INDIVIDUAL PROGRAM.*****SUMMARY:**

The bill requires the Department of Social Services (DSS) commissioner, beginning with FY 08, to increase the income disregards for two of the three Medicare Savings Programs to make their income limits in effect equal to Connecticut Pharmaceutical Assistance Contract to the Elderly and Disabled (ConnPACE) income limits. (The current ConnPACE limits are \$23,100 annually for individuals and \$31,100 for couples for applications made in 2007). The increase applies to the Specified Low-Income Medicare Beneficiary (SLMB) and the Qualifying Individual (QI, also known as Additional Low-Income Medicare Beneficiary (ALMB) program) programs.

The bill also allows the commissioner to represent ConnPACE applicants or recipients to facilitate their enrollment in any Medicare savings programs in which they choose to participate. The programs also include the Qualified Medicare Beneficiary (QMB) program.

Participants in all three programs automatically receive extra federal help under the federal Medicare Part D prescription program. The change in income limits allows more ConnPACE participants to qualify for this extra help. State law requires ConnPACE participants who qualify for Part D to enroll in it.

EFFECTIVE DATE: July1, 2007

BACKGROUND***Medicare Savings Programs***

The Medicare Savings Programs are authorized by federal law and run by the states to help low-income people pay their federal Medicare insurance costs. The QMB and SLMB programs use Medicaid funds (which are 50% federally reimbursed). The QI program uses only federal funds, but it is a block grant that prevents new enrollments for the year once the money runs out.

QMB, which covers people with the lowest income and assets, pays monthly Medicare Part B premiums (and Part A premiums for those who have to buy into Part A); annual hospital, doctor, and some other deductibles; and copays (to the extent they do not exceed what Medicaid would pay). In effect, QMB acts like a Medicare Supplement plan. SLMB covers people with somewhat higher incomes. It pays only the Medicare monthly premium. In Connecticut, both of these programs currently have asset limits: \$4,000 for individuals and \$6,000 for couples. The QI program has higher income limits and no asset limit. QI also pays only for Medicare premiums.

Income limits for the three programs in 2006 were as follows:

2006 Program	Monthly Income for individuals	Annual	Monthly income for couples	Annual
QMB	\$ 1,024	\$ 12,288	\$ 1,514	\$ 18,168
SLMB	\$ 1,187.40	\$ 14,249	\$ 1,734	\$ 20,808
ALMB (QI)	\$ 1,309.95	\$ 15,719	\$ 1,899	\$ 22,788

Under all three programs, the state can recover the amounts it has paid from the participants' estates when they die, as it can under regular Medicaid (unlike ConnPACE, which has no provision for estate recovery).

Automatic Eligibility for Federal Part D Extra Help

Under the new federal Medicare Part D prescription program,

people in these Medicare savings programs automatically receive full federal extra help with prescriptions. For those who qualify, the state pays Medicare premiums (and deductibles, etc. for the QMBs) out of Medicaid money (50% federally reimbursed and 100% federal for QI), but, if they are also ConnPACE participants, it does not pay for their Part D prescription monthly premiums, deductibles, copays or costs during the "donut hole," all of which the federal government pays. Also, Medicare Savings Program participants automatically pay the federal extra help patient copays of \$2.15 for generics and preferred drugs and \$5.35 for brand name and non-preferred drugs, instead of the \$16.25 per-prescription copays under ConnPACE.

COMMITTEE ACTION

Human Services Committee

Joint Favorable

Yea 17 Nay 0 (03/20/2007)