



Senate

General Assembly

File No. 805

January Session, 2011

Substitute Senate Bill No. 297

Senate, May 17, 2011

The Committee on Appropriations reported through SEN. HARP of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING AN AMENDMENT TO THE MEDICAID STATE PLAN UNDER SECTION 1915(I) OF THE SOCIAL SECURITY ACT TO PROVIDE HOME CARE SERVICES.

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

1 Section 1. (NEW) (*Effective from passage*) The Commissioner of Social
2 Services shall seek to amend the Medicaid state plan pursuant to
3 Section 1915(i) of the Social Security Act to improve access to home
4 and community-based services for persons who are eligible to receive
5 services provided under the state-funded home care program for the
6 elderly, established pursuant to subsection (i) of section 17b-342 of the
7 general statutes, by using needs-based eligibility criteria. The
8 commissioner may amend a previously submitted waiver application
9 submitted under Section 1915(c) of the Social Security Act if necessary
10 to implement the provisions of this section.

11 Sec. 2. (NEW) (*Effective from passage*) The Commissioner of Social
12 Services shall submit an application in accordance with the State
13 Balancing Incentive Payment Program, established pursuant to Section

14 10202 of the Patient Protection and Affordable Care Act, P.L. 111-148,
 15 to the Centers for Medicare and Medicaid Services to increase the
 16 state's federal matching assistance payments for Medicaid home and
 17 community-based services. The commissioner shall make the
 18 administrative changes required in accordance with the terms of said
 19 program including, but not limited to: (1) The establishment of a no
 20 wrong door-single entry point system to enable consumers to gain
 21 access to information on services available, including referral services,
 22 and to receive an assessment to determine eligibility for various
 23 programs; (2) the provision of conflict-free case management services
 24 to develop individual service plans and to arrange for and conduct
 25 ongoing monitoring of services; and (3) the utilization of a core
 26 standardized assessment instrument to determine eligibility and
 27 appropriate services.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section

APP *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 12 \$	FY 13 \$
Social Services, Dept.	GF - Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

Explanation

The bill will result in a revenue gain to the Department of Social Services (DSS) associated with amending the Medicaid state plan to expand home and community based services for individuals eligible for the state-funded Connecticut Home Care Program for the Elderly (CHCPE). The extent of the revenue gain is dependent on how the state plan amendment is ultimately structured. The FY 11 expenditures of the state funded program are estimated at \$55.6 million for over 4,200 clients. For purposes of an example, if half of the current program enrollees qualify under the amended plan, this would result in a revenue gain of approximately \$13.9 million annually as state expenditures are eligible for the 50% federal Medicaid reimbursement.

In addition, the bill requires DSS to apply to the Balancing Incentive Payment Program. The costs, federal reimbursements, and guidelines for this program are not yet known. The state could receive a two percent increase in federal matching assistance for a total reimbursement rate of 52% for home and community based services. If the state receives this enhanced match (52%) due to meeting the program requirements of the Balancing Incentive Payment program, the state savings under CHCPE would be \$14.5 million.

The bill could also result in a savings associated with cost-sharing for those with incomes over 200% of the federal poverty level (FPL). The extent of these savings depends on the number of applicable individuals and the level of cost sharing imposed.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the conditions of the federally approved state plan amendment and Medicaid reimbursement rate.

OLR Bill Analysis**sSB 297*****AN ACT CONCERNING AN AMENDMENT TO THE MEDICAID STATE PLAN UNDER SECTION 1915(I) OF THE SOCIAL SECURITY ACT TO PROVIDE HOME CARE SERVICES.*****SUMMARY:**

This bill requires the Department of Social Services (DSS) commissioner to improve access to home- and community-based services (HCBS) for individuals eligible for the state-funded portion of the Connecticut Home Care Program for Elders (CHCPE) by seeking a “Section 1915 (i)” amendment to the Medicaid state plan.

The bill permits the commissioner to amend a previously submitted 1915 (c) waiver application (the state has several programs that operate under 1915 (c) waivers) if needed to implement the new program.

It also requires the commissioner to submit an application for the Balancing Incentive Payment Program established under the federal Affordable Care Act of 2010. Under this program, the state is eligible for a higher federal Medicaid reimbursement if it can show that it has rebalanced its long-term care system and spends less on institutional care.

EFFECTIVE DATE: Upon passage

MEDICAID STATE PLAN AMENDMENT***CHCPE Eligibility***

Under the bill, the plan amendment must (1) improve access to HCBS for individuals eligible for the state-funded portion of the CHCPE and (2) apply “needs-based” (financial need, functional need, or both) eligibility criteria to individuals applying for these services.

CHCPE offers home- and community-based services to the state’s

infirm elders. The CHCPE consists of Medicaid- and state-funded portions. The state-funded portion has two categories: Category 1 is for individuals who are at risk of hospitalization or short-term nursing home placement (need help with one or two activities of daily living (ADL)). Their services cannot cost more than 25% of what it would cost if they were in a nursing home. Category 2 is for people who need short- or long-term nursing home care and help with at least three ADLs. Their care costs must be less than 50% of the nursing home cost.

Neither program imposes an income limit, but once a client's income reaches 200% of the federal poverty level, he or she must contribute the excess (applied income) towards his or her care costs. Additionally, clients must pay 6% of their care costs, which applies regardless of income and is on top of any applied income. An individual's liquid assets can be no more than \$32,868.

Under the bill, not everyone in the state-funded program would qualify because the federal law creating the 1915 (i) option (see BACKGROUND) requires that individuals be eligible for one of the state's existing Medicaid coverage groups (see BACKGROUND). Moving people from the state-funded portion of CHCPE into the Medicaid-funded portion could potentially free-up some of the state-funded slots (assuming level funding).

BALANCING INCENTIVE PAYMENT PROGRAM

The bill requires the commissioner to apply to the federal Centers for Medicare and Medicaid Services to increase the state's federal matching funds for Medicaid home- and community-based services under the Balancing Incentive Payment Program, which was established in the Affordable Care Act (see BACKGROUND).

The commissioner must make the administrative changes needed to conform to federal law, including (1) establishing a "no wrong door-single point-of-entry system" to enable consumers to access information on services available, including referrals, and receive long-

term care program eligibility assessments; (2) providing “conflict free” case management to develop individual service plans and monitor services provided; and (3) using a core standardized assessment instrument to determine eligibility and appropriate services.

The state already has taken some steps in this direction, such as creating Aging and Disability Resource Centers for single-points of entry at some of the state’s area agencies on aging.

BACKGROUND

Legislative History

The Senate referred the bill (File 442) to the Appropriations Committee, which (1) removed most of the provisions specifying the details of the 1915 (i) program and (2) limited access to the program only to individuals eligible for the state-funded CHCPE.

1915 (i) State Plan Amendment and Applicability in Connecticut

Connecticut offers the Medicaid portion of CHCPE under a traditional Medicaid 1915 (c) waiver. States were given the option of offering HCBS by adopting a 1915 (i) state plan amendment under the federal Deficit Reduction Act of 2005. The 2010 federal Affordable Care Act (ACA) made changes to the 1915 (i) law.

The amended 1915 (i) law allows states to offer HCBS that are very similar to those offered under a traditional Medicaid 1915 (c) HCBS waiver. But unlike the waiver program, 1915 (i) does not require an enrolled individual to require an institutional level of care.

States also have flexibility to determine financial eligibility criteria, although income is generally limited to 150% of the federal poverty level (FPL). (The ACA allows states to set the income limit at a higher, waiver level but only if the people enrolling in it would qualify for one of the state’s existing waivers.) To serve people in the state-funded CHCPE, Connecticut could set the income limit as high as 150% of the FPL since the individuals in that program by definition do not qualify for Medicaid-funded services.

The federal law does not create a new eligibility group. Rather, the income limit (150% of FPL or less) is in addition to all of the eligibility requirements that apply to the coverage group into which the individual falls, and the law allows the state to determine what that is. So, for example, if Connecticut were to use the “medically needy” coverage group’s financial eligibility criteria, an individual’s assets could not exceed \$1,600, which is significantly less than the limit for the state-funded CHCPE. The income limit for that Medicaid eligibility group is about \$700 per month, while the state-funded CHCPE program has no income limit. Thus, not everyone in the state-funded CHCPE would be expected to qualify for 1915 (i) services.

On the other hand, because 1915 (i) is a state plan amendment option and not a waiver, it is considered an entitlement. Thus, anyone meeting the eligibility criteria the state establishes must be allowed to enroll.

Balancing Incentive Payment Program

The ACA includes this program, which runs between October 1, 2011 and September 30, 2015. It offers financial incentives to states that spent less than 50% of their Medicaid long-term care dollars on HCBS in FY 09. Under the program, states that spent between 25% and 50% receive a 2% increase in federal matching funds (Connecticut spent 35%).

To receive the enhanced match, states must take certain actions within six months of applying for the program, including instituting a single-point-of-entry system for long-term care information, referrals, and program eligibility. And they must increase their HCBS spending to 50% by the end of the four-year period.

Related Bill

sSB 1059 (File 738), favorably reported by the Government Administration and Elections and Public Health committees, also requires DSS to apply for the Balancing Incentive Payment Program.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute

Yea 16 Nay 2 (03/22/2011)

Appropriations Committee

Joint Favorable Substitute

Yea 49 Nay 5 (05/04/2011)