

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 12-1—HB 5301

Emergency Certification

**AN ACT ADJUSTING INCOME ELIGIBILITY GUIDELINES FOR
MEDICARE SAVINGS PROGRAMS**

SUMMARY: This act changes, from October 1, 2009, to March 1, 2012, the date by which the Department of Social Services (DSS) commissioner must begin increasing the amount of income he disregards for purposes of eligibility for the Medicare Savings Program (MSP). By law, he must increase this amount annually. Prior law required DSS to begin disregarding this income starting October 1, 2009, and annually thereafter. By law, the commissioner must do this to equalize the income limits and deductions in the MSP and ConnPACE programs (see BACKGROUND).

The federal law establishing the MSP (1) ties program eligibility to a percentage of the federal poverty level (FPL) and (2) requires states to disregard any Social Security cost-of-living adjustment (COLA) until new federal poverty guidelines are implemented (March 1 in Connecticut). This ensures that MSP beneficiaries, many of whom receive Social Security, do not lose their MSP eligibility simply because their Social Security benefits go up in January. Once the new FPL goes into effect in March, the Social Security COLA is no longer disregarded and the full Social Security benefit counts towards MSP eligibility. There were no Social Security COLAs in 2010 and 2011 but a 3.6% COLA took effect on January 1, 2012.

EFFECTIVE DATE: Upon passage

BACKGROUND

MSP

The MSP offers Medicaid-funded assistance with Medicare Part A and B cost sharing to qualified individuals. Additionally, people who qualify for MSP automatically qualify for the federally funded Medicare Part D Low-Income Subsidy, which provides significant prescription drug subsidies. In 2009, the legislature equalized MSP eligibility with ConnPACE eligibility, essentially making all Medicare-eligible ConnPACE recipients eligible for MSP, hence reducing client medical costs and state ConnPACE costs. State law requires the ConnPACE income limits to increase each January 1 by the amount of any Social Security COLA.

OLR Tracking: RC:ND:PF:ro:eh