



Senate

General Assembly

File No. 760

January Session, 2013

Substitute Senate Bill No. 851

Senate, May 8, 2013

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 PROTECTING THE ASSETS OF THE SPOUSE OF AN INSTITUTIONALIZED MEDICAID RECIPIENT.

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

1 Section 1. (NEW) (*Effective from passage*) (a) For purposes of this
2 section:

3 (1) "Institutionalized spouse" has the same meaning as provided in
4 42 USC 1396r-5(h)(1).

5 (2) "Community spouse" has the same meaning as provided in 42
6 USC 1396r-5(h)(2).

7 (3) "Minimum community spouse protected amount" means the
8 minimum amount of assets a community spouse may keep pursuant to
9 42 USC 1396r-5(f)(2).

10 (b) The Commissioner of Social Services shall amend the Medicaid
11 state plan in accordance with federal law to require that the
12 community spouse of an institutionalized Medicaid recipient shall

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 14 \$	FY 15 \$
Department of Social Services	GF - Cost	Significant	Significant

Municipal Impact: None

Explanation

The bill will result in a cost to the Department of Social Services (DSS) associated with increasing the minimum assets that a community spouse can receive from \$23,184 to \$33,000. Currently, a community spouse has access to half of the couple's assets as determined by DSS, with a minimum of \$23,184 and a maximum of \$115,920.

For example, if a couple's total counted assets equal \$40,000, the community spouse would now keep \$33,000 under the terms of the bill, instead of \$23,184, reducing the amount available for the institutionalized spouse. The assets of the institutionalized spouse are intended to be used to pay for the cost of their care, with certain exceptions. It is not known what portions of the institutional spouse's assets are used to cover the cost of their care prior to Medicaid eligibility. However, by reducing the amount available to the institutional spouse, it is likely that they would achieve Medicaid eligibility sooner.

As disposition of a couple's assets prior to Medicaid eligibility is not known, the pace of the accelerated eligibility cannot be known. Based on historical data, there are approximately 150 married Medicaid long-term care enrollees per month (1,800 annually). An unknown subset of

these with assets between \$23,184 and \$66,000 (double the new community spouse minimum) would be affected by the bill.

Medicaid nursing home care costs approximately \$5,740 per month. Therefore, for example, a month of accelerated eligibility for 40 clients per month would result in an annualized increased Medicaid cost of \$2,755,200. The actual cost will depend on the number of couples affected by the bill and on the disposition of the couples' assets prior to Medicaid eligibility.

The Out Years

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

Sources: Department of Social Services Caseload Information

OLR Bill Analysis**sSB 851*****AN ACT PROTECTING THE ASSETS OF THE SPOUSE OF AN INSTITUTIONALIZED MEDICAID RECIPIENT.*****SUMMARY:**

This bill requires the Department of Social Services (DSS) commissioner to amend the Medicaid state plan to increase, from \$23,184 to \$33,000, the minimum amount of money the spouse of a long-term care Medicaid recipient (i.e., the community spouse) may keep (i.e., the minimum community spouse protected amount (CSPA)).

It requires the commissioner, by July 1, 2014, to report to the Human Services and Appropriations committees on the fiscal impact of the increase, including (1) the number of community spouses who were able to keep additional assets as a result of the increase and (2) the state cost of the increase.

The commissioner must adopt regulations to implement the bill.

EFFECTIVE DATE: Upon passage

BACKGROUND***Federal Medicaid Spousal Impoverishment Provisions***

Federal Medicaid law's "spousal impoverishment" provisions require a spousal assessment when one spouse applies for Medicaid long-term care (in Connecticut this includes both nursing home and home- and community-based waiver services). The couple's assets are divided in half and one half pays for the Medicaid applicant's health care and the other stays with the community spouse, up to the maximum allowed by federal law (currently \$115,920). The minimum CSPA ensures that when the couple's assets are divided and the community spouse's share is lower than the minimum, that spouse

still gets to keep the minimum amount.

Federal law specifies the CSPA, which currently is the greater of:

1. \$23,184;
2. the lesser of (a) the spousal share or (b) \$115,920;
3. the amount established after a fair hearing; or
4. an amount a court orders (42 USC § 1396r-5(f)(2)).

COMMITTEE ACTION

Human Services Committee

Joint Favorable Change of Reference

Yea 18 Nay 0 (02/19/2013)

Appropriations Committee

Joint Favorable Substitute

Yea 53 Nay 0 (04/23/2013)