



# House of Representatives

General Assembly

**File No. 624**

February Session, 2014

Substitute House Bill No. 5324

*House of Representatives, April 17, 2014*

The Committee on Appropriations reported through REP. WALKER of the 93rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT INCREASING THE MINIMUM AMOUNT OF ASSETS THAT MAY BE RETAINED BY THE SPOUSE OF AN INSTITUTIONALIZED PERSON.***

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 of an institutionalized  
9 spouse may keep pursuant to 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 set the minimum



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 15 \$	FY 16 \$
Social Services, Dept.	GF - Cost	See Below	See Below

**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 \$23,448 to \$50,000. Currently, a community spouse has access to half of the couple's assets as determined by DSS, with a minimum of \$23,448 and a maximum of \$117,240.

For example, if a couple's total counted assets equal \$45,000, the community spouse would now keep all \$45,000 under the terms of the bill, instead of \$23,448, 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 portion 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.

Information on disposition of a couple's assets prior to Medicaid eligibility is not available, therefore the pace of the accelerated eligibility cannot be determined at this time. 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 \$23,448 and \$100,000 (double the new community spouse minimum) would be affected by the bill.

Medicaid nursing home care costs approximately \$6,000 per month. For purposes of an example, a month of accelerated eligibility for 30 clients per month would result in an annualized increased Medicaid cost of \$2.2 million, resulting in a net cost to the state of \$1.1 million.<sup>1</sup> If all 150 clients experienced a month of accelerated eligibility, it would result in an annualized increased Medicaid cost of \$10.8 million, or a net cost to the state of \$5.4 million. Based on the \$26,552 increase in the minimum community spouse protected amount proposed by the bill, enrollees could experience up to four months of accelerated eligibility. Given the examples above, this would result in a Medicaid cost of \$8.6 million, or a net cost to the state of \$4.3 for 30 individuals, and a Medicaid cost of \$43.2 million, or a net cost to the state of \$21.6 million for 150 individuals. It should be noted that it is unlikely that all 150 enrollees would experience all four months of accelerated eligibility and the associated cost since this calculation is based on maximum applicability.

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 bill requires the Department of Social Services to report to the legislature by July 1, 2015 on the number of community spouses who were able to keep additional assets as a result of the increase, and the cost to the state.

### ***The Out Years***

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

---

<sup>1</sup> In general, Medicaid is 50% funding by the state and 50% funded by the federal government.

**OLR Bill Analysis****sHB 5324*****AN ACT INCREASING THE MINIMUM AMOUNT OF ASSETS THAT MAY BE RETAINED BY THE SPOUSE OF AN INSTITUTIONALIZED PERSON.*****SUMMARY:**

This bill requires the Department of Social Services commissioner to amend the Medicaid state plan to increase, to \$50,000, the minimum amount of money a long-term care Medicaid recipient's spouse may keep (i.e., the minimum community spouse protected amount). This amount is currently \$23,448 (the lowest minimum allowed under federal law). The commissioner must increase this amount in accordance with federal law.

It requires the commissioner, by July 1, 2015, to report on the requirement's fiscal impact to the Human Services and Appropriations committees. The report must at least include (1) the number of community spouses able to keep additional assets as a result of the increase in the minimum community spouse protected amount and (2) the cost to the state of increasing the amount.

The bill requires the commissioner to adopt implementing regulations.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

Human Services Committee

Joint Favorable Substitute Change of Reference  
Yea 18 Nay 0 (03/11/2014)

Appropriations Committee

Joint Favorable

Yea 49 Nay 0 (04/03/2014)