



# Senate

General Assembly

**File No. 133**

January Session, 2015

Senate Bill No. 705

*Senate, March 19, 2015*

The Committee on Aging reported through SEN. FLEXER of the 29th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

## **AN ACT CONCERNING A COMMUNITY SPOUSE'S ALLOWABLE ASSETS.**

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 (b) The Commissioner of Social Services shall amend the Medicaid  
8 state plan to require that the community spouse of an institutionalized  
9 spouse receive the maximum community spouse resource allowance  
10 pursuant to 42 USC 1396r-5(f)(2).

11 (c) The commissioner shall adopt regulations, in accordance with  
12 the provisions of chapter 54 of the general statutes, to implement the

13 provisions of this section.

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

**AGE**      *Joint Favorable*

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.

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**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 16 \$	FY 17 \$
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 associated with increasing the liquid assets that a community spouse can retain to the maximum amount allowed under federal law (\$119,220).

Currently, a community spouse has access to half of the couple's liquid assets as determined by DSS, up to \$119,220. For example, if a couple's total counted assets equal \$150,000, the community spouse would keep \$119,220 under the bill instead of \$75,000, reducing the amount available for the institutionalized spouse. 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.

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) to which this change may apply.

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 annualized increased gross Medicaid costs of \$2.2 million, or a net cost of \$1.1 million. If all 150 clients experienced a month of accelerated eligibility, it would result in an annualized increased gross Medicaid cost of \$10.8 million or \$5.4 million net. The actual costs will depend on the disposition of the couples' assets prior to Medicaid eligibility.

Based on the \$119,220 range of assets impacted by the bill, enrollees could experience up to 10 months of accelerated eligibility.<sup>1</sup> Given the examples above, this could result in a gross Medicaid cost of \$22 million, or a net cost to the state of \$11 million for 30 individuals, and a Medicaid cost of \$108 million, or a net cost to the state of \$54 million for 150 individuals. It should be noted that it is unlikely that all 150 enrollees would experience all 10 months of accelerated eligibility and the associated cost, since this calculation is based on maximum applicability. Rather, only a subset of married enrollees may have assets in the applicable range that would be utilized to off-set Medicaid costs.

### ***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*

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<sup>1</sup> Assumes private pay nursing home rate of \$390, per April 2014 Cost of Long-Term Care in Connecticut report by The Connecticut Partnership for Long-Term Care.

**OLR Bill Analysis****SB 705*****AN ACT CONCERNING A COMMUNITY SPOUSE'S ALLOWABLE ASSETS.*****SUMMARY:**

This bill requires the Department of Social Services commissioner to amend the Medicaid state plan to require that the spouse of someone in an institution (e.g., nursing home) who remains in the community receive the maximum amount of assets allowed by federal law (i.e., the maximum community spouse protected amount (CSPA), \$119,220 in 2015). Currently the spouse can keep half the couple's combined assets or the federal minimum CSPA (\$23,844 in 2015), whichever is greater.

The commissioner must adopt regulations to implement this change.

EFFECTIVE DATE: Upon passage

**BACKGROUND*****Community Spouse Protected Amount***

Federal law allows the spouse of someone living in a long-term care institution to keep some of the couple's assets to ensure the spouse living in the community does not become impoverished. The amount retained by the non-institutionalized spouse is referred to as the community spouse protected amount (CSPA). The maximum and minimum CSPAs are set by federal law and the state must update them yearly.

**COMMITTEE ACTION**

Aging Committee

Joint Favorable

Yea 13 Nay 0 (03/05/2015)