



Senate

General Assembly

File No. 776

January Session, 2015

Senate Bill No. 271

Senate, May 7, 2015

The Committee on Appropriations reported through SEN. BYE of the 5th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING MEDICAID REFORM TO PROMOTE AGING IN PLACE.

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

1 Section 1. (*Effective from passage*) (a) On and after July 1, 2015, the
2 Commissioner of Social Services shall establish a one-year pilot
3 program to fund services under the Connecticut home-care program
4 for the elderly for a period of up to ninety days for not more than fifty
5 applicants who require a skilled level of nursing care and who are
6 determined to be presumptively eligible for Medicaid coverage. The
7 pilot program shall be established in a county where the per capita rate
8 of nursing home institutionalization exceeds such average for counties
9 state wide.

10 (b) The pilot program shall include, but not be limited to: (1) The
11 development of a preliminary screening tool by the Department of
12 Social Services to determine whether an applicant is functionally able
13 to live at home or in a community setting and is likely to be financially
14 eligible for Medicaid; (2) authorization by the commissioner for the

15 access agency selected pursuant to section 17b-342 of the general
16 statutes to screen such applicants and initiate home care services not
17 later than five days after such screening; (3) a presumptive financial
18 Medicaid eligibility determination for such applicants by the
19 department not later than five days after such screening; and (4) a
20 written agreement to be signed by such applicant attesting to the
21 accuracy of financial and other information such applicant provides
22 and acknowledging that (A) state-funded services shall be provided
23 for not longer than ninety days from the date on which home care
24 services are initiated under the program, and (B) such applicant shall
25 complete a Medicaid application on the date such applicant is screened
26 for functional ability to live at home or in a community setting or not
27 later than five days after such screening. The department shall make a
28 final determination as to Medicaid eligibility for presumptive
29 eligibility applicants not later than ninety days after such applicant
30 completes a Medicaid application.

31 (c) To the extent permissible under 42 CFR 435.915, the
32 Commissioner of Social Services shall retroactively apply a final
33 determination of Medicaid eligibility for presumptive Medicaid
34 eligibility applicants.

35 (d) Not later than July 1, 2016, the commissioner shall submit a
36 report on the program in accordance with the provisions of section 11-
37 4a of the general statutes to the joint standing committee of the General
38 Assembly having cognizance of matters relating to human services.
39 The report shall include, but not be limited to: (1) The number of
40 applicants who were determined presumptively eligible for Medicaid
41 who later were determined not to be eligible for Medicaid; (2) the cost
42 to the state to provide care for such applicants; (3) the savings to the
43 state in institutionalization costs for applicants who were determined
44 to be eligible for Medicaid after a presumptive Medicaid eligibility
45 determination; and (4) recommendations on expanding the program
46 state wide to allow more persons to age in place, as described in
47 section 17b-420a of the general statutes, and reduce state Medicaid
48 expenditures on institutional care.

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 16 \$ | FY 17 \$ |
|------------------------|--------------------|-----------------------|-----------------|
| Social Services, Dept. | GF - Savings | Potential | None |
| Social Services, Dept. | GF - Cost | up to \$310,500 | None |
| Social Services, Dept. | GF - Cost | Potential Significant | None |

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Department of Social Services (DSS) to establish a one year pilot program for up to 50 individuals to receive services under the Connecticut Home Care Program for the Elderly (CHCPE), with presumptive eligibility. An individual granted presumptive eligibility would receive up to 90 days of care while their eligibility was determined, as well as retroactive coverage prior to the date the Medicaid application was completed, upon final determination. This would result in several impacts, as detailed below.

First, the state would incur a one-time cost due to the acceleration of eligibility determinations and the provision of benefits sooner. Currently, clients do not receive Medicaid benefits while pending eligibility determinations. The CHCPE averaged 203 monthly admissions in FY 14, with a per diem cost of \$69. The cost for 50 clients for 90 days is \$310,500.

Second, the state would incur costs for making retroactive payments for individuals determined to be Medicaid eligible. For purposes of an

example, making retroactive payments for 50 individuals for one month prior to their application would result in a cost of \$105,000. The net cost to the state under Medicaid would be \$52,500. This assumes an average monthly cost per enrollee of \$2,100; however, it should be noted that an individual's cost of care prior to entering the program could be higher or lower than the program's average. This also assumes the approval for such payments by the Centers for Medicare and Medicaid Services (CMS).

Third, the state would incur an ongoing cost related to providing benefits for clients who are eventually determined ineligible for Medicaid. It is not known what percentage of CHCPE applications are found to be ineligible for Medicaid. For purposes of an example, if it is assumed that the 50 pilot participants are the result of a 90% eligibility success rate, 5 applications would be found ineligible. Therefore, the gross cost of those ineligible clients for 90 days would be approximately \$31,050.

Lastly, there is a potential savings if the provision of home care services during the eligibility determination process prevents or delays admission to a more expensive, Medicaid funded care setting, such as a nursing home. It cannot be known how many clients may be affected. Although a person is not receiving home care services from the Medicaid program, they may be receiving in-kind care from family members or care paid for from other resources. The average Medicaid cost per day for a nursing home stay is \$200. Therefore, for a 90 day episode of care, receiving services under the CHCPE rather than a nursing home would result in a savings of approximately \$11,800 per person, or \$5,900 net.

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

SB 271

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IN PLACE.***

SUMMARY:

The Office of Legislative Research does not analyze Special Acts.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Change of Reference

Yea 18 Nay 0 (03/19/2015)

Appropriations Committee

Joint Favorable

Yea 55 Nay 1 (04/29/2015)