



Senate

General Assembly

File No. 160

February Session, 2016

Senate Bill No. 162

Senate, March 23, 2016

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.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 17 \$	FY 18 \$
Social Services, Dept.	GF - Cost	See Below	See Below

Note: GF=General Fund

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 the state approximately \$3,000 per month. For purposes of an example, a month of accelerated

eligibility for 75 clients per month would result in annualized increased state Medicaid cost of \$2.7 million. Based on the \$119,220 range of assets impacted by the bill, enrollees could experience up to 10 months of accelerated eligibility.¹ Given the previous example, this could result in a state Medicaid cost of \$27 million for 75 individuals. The actual costs will depend 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 the number of applicable couples and the disposition of their assets.

Sources: Department of Social Services Cost and Caseload Information

¹ Assumes private pay nursing home rate of \$400, per April 2015 *Cost of Long-Term Care in Connecticut* report by The Connecticut Partnership for Long-Term Care.

OLR Bill Analysis**SB 162*****AN ACT CONCERNING A COMMUNITY SPOUSE'S ALLOWABLE ASSETS.*****SUMMARY:**

This bill requires the 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 be allowed to retain the maximum amount of assets allowed by federal law (i.e., the maximum community spouse protected amount (CSPA), \$119,220 in 2016). Currently, the spouse can keep the greater of (1) half the couple's combined assets, up to the federal maximum or (2) the federal minimum CSPA (\$23,844 in 2016). 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 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 (03/08/2016)