

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 17-1, January 2018 Special Session—HB 7601

Emergency Certification

AN ACT CONCERNING ADJUSTMENTS TO THE STATE BUDGET REGARDING THE MEDICARE SAVINGS PROGRAM AND ELIGIBILITY THEREFOR

SUMMARY: This act delays, from January 1, 2018 to July 1, 2018, the Medicare Savings Program (MSP) income eligibility decrease required under the FY 18-19 budget act, thus restoring prior MSP income limits through the end of FY 18.

The act also makes various changes to FY 18 General Fund appropriations, resulting in a net decrease of \$16,210,090. It also eliminates a requirement that the Comptroller, after the accounts for FY 18 are closed, credit \$17,800,000 of unappropriated surplus funds for FY 18 to the General Fund for FY 19 (§ 7).

EFFECTIVE DATE: Upon passage, except for the MSP eligibility decrease, which is effective July 1, 2018.

§§ 1-4 — CHANGES IN FY 18 BUDGET

The act reduces the FY 18 General Fund appropriation for Teachers' Retirement Contributions by \$19,396,000 and increases the appropriation for Medicaid by \$20,500,000.

It also requires General Fund lapses for FY 18 for (1) reductions to other expenses (\$10,000,000); (2) reductions to state managers and consultants (\$6,000,000); and (3) reductions to reflect savings associated with consolidation of human resource functions into the Department of Administrative Services (\$1,314,090). In order to achieve these savings, the act requires the OPM secretary to reduce FY 18 allotments to:

1. executive branch agencies' other expenses accounts to achieve \$10,000,000 in savings, provided funding for any program funded through such accounts cannot be reduced by more than 10%;
2. executive branch agencies' personal services and other expenses accounts to reduce state manager and consultant expenses by \$6,000,000; and
3. any budgeted agency's personal services account to achieve \$1,314,090 in savings associated with consolidation of human resource functions into the Department of Administrative Services.

§§ 5 & 6 — MSP INCOME ELIGIBILITY

The act delays the MSP income eligibility decrease required under PA 17-2, June Special Session, until July 1, 2018, as shown in Table 1. Under prior law, the decreased income limits took effect January 1, 2018; however, in practice, the

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Department of Social Services delayed their implementation.

Table 1: MSP Income Limits Under the Act

<i>MSP Program Tier</i>	Income Limits Until July 1, 2018		Income Limits beginning July 1, 2018	
	<i>Income Limit (% FPL)</i>	<i>Annual Income Limit* (Individual)</i>	<i>Income Limit (% FPL)</i>	<i>Annual Income Limit* (Individual)</i>
Qualified Medicare Beneficiary Program (QMB)	Less than 211%	\$25,615	Less than 100%	\$12,140
Specified Low-Income Medicare Beneficiary Program (SLMB)	211% to 231%	\$28,043	100% to 120%	\$14,568
Qualified Individual (QI)	231% to 246%	\$29,864	120% to 135%	\$16,389

*Income limits calculations are based on 2018 FPL values. FPL values change annually

Under federal law, MSP generally consists of three separate program tiers (Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB) and Qualified Individual (QI)), with applicants at the lowest income levels qualifying for the most benefits. To qualify, individuals must be enrolled in Medicare Part A. Program participants get financial assistance from the state’s Medicaid program with their Medicare cost sharing, including premiums and deductibles.