

OFFICE OF FISCAL ANALYSIS

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sSB-258

AN ACT CONCERNING THE EXEMPTION OF PROBATE-COURT APPROVED CONSERVATOR AND FIDUCIARY FEES FROM MEDICAID APPLIED INCOME AND ASSET TRANSFER DETERMINATIONS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 19 \$	FY 20 \$
Probate Court	PCAF - Savings	600,000	1.2 million
Social Services, Dept.	GF - Cost	At Least 300,000	At Least 600,000

Note: PCAF=Probate Court Administration Fund; GF=General Fund

Municipal Impact: None

Explanation

Section 1 of the bill will result in savings of approximately \$600,000 in FY 19 and \$1.2 million in FY 20 to the Probate Court Administration Fund (PCAF) by allowing the state to deduct certain conservatorship expenses when calculating the amount of income an institutionalized Medicaid enrollee must contribute towards his or her care to the extent allowed under federal law. Based on the most recent data from FY 16, there were 1,402 cases involving conserved persons who reside in nursing homes and are Title XIX recipients. In these cases, the PCAF reimburses the conservator compensation costs and waives the Probate Court fees. On average the cost for each case is approximately \$881.

In addition, section 1 of the bill will result in a cost to the state Medicaid program by further reducing a beneficiary's income currently put towards the cost of care. Based on FY 16 Probate Court

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fees, the increased cost to the state Medicaid program, assuming federal approval, will be \$300,000 in FY 19 and \$600,000 a year once annualized¹ (this assumes 50% federal reimbursement). The cost to the state will depend on (1) the amount of the conservator expenses (including conservator compensation), Probate Court filing fees/expenses, and premiums for any Probate Court bonds counted as a deduction from a beneficiary's income and (2) the commiserate shift to the state for Medicaid costs which would have been paid by the beneficiary.

Lastly, **section 2** of the bill will result in a cost the state Medicaid program to the extent the penalty period that would have been imposed on an individual, making them temporarily ineligible for Medicaid long term care services, is either reduced or eliminated. The cost to the state Medicaid program will depend on the reduction or elimination of the penalty period which would have been imposed on the individual and the scope of services that otherwise would not be eligible for Medicaid coverage.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to (1) the amount of specified deductions claimed for Medicaid eligible beneficiaries and (2) any adjustment to penalty periods resulting from the provisions of the bill.

¹ Total FY 16 Probate Court fees were \$1.2 million for 1,402 individuals.