

1025

BILL NUMBER: SHB 5843

FISCAL NOTE(Form 4)
(Office of Fiscal Analysis)

FILE NUMBER:

Analyst: LV/MG 4/22/92

AMENDMENTS:

tk

Version:

TITLE: "AN ACT CONCERNING THE TRANSFER OF ASSETS UNDER THE MEDICAID PROGRAM"

FAVORABLY REPORTED BY Human Services, Appropriations

SUMMARY: This bill makes changes to the statutes pertaining to the transfer of assets which would refine requirements and close "loopholes" by: (1) allowing the Department to treat the disposition of property made on behalf of an applicant, recipient, or his spouse by a guardian, conservator or other person having the power of attorney as though it were done by the person; (2) eliminating the automatic exemption policy regarding court ordered disposition of property (a thorough evaluation on a case-by-case basis on the merit and purpose of the court order will now be done); and (3) closing a loophole with respect to the treatment of trust accounts. The proposal would essentially make any trust revocable if the individual subsequently applies for assistance by mandating access to the funds once an application for assistance is made.

EFFECTIVE DATE: 10/1/92

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FISCAL IMPACT STATEMENT - BILL NUMBER SHB 5843

STATE IMPACT	Savings, see explanation below
MUNICIPAL IMPACT	None
STATE AGENCY(S)	Department of Income Maintenance, Judicial Department

EXPLANATION OF ESTIMATES:

The fiscal impact resulting from the passage of this bill is estimated to approximate \$750,000 based on an implementation date of October 1, 1992 and an anticipated nine-month savings. This results as the financial resources of individuals entering nursing homes or applying for Public Assistance are anticipated to offset State costs by increasing the spend-down period. The majority of this savings is anticipated to be derived from individuals entering nursing homes. The estimated savings would be adjusted by appropriate reductions in federal financial participation of \$375,000 resulting in a net State savings of \$375,000.

It should be noted that negotiations with the nursing home industry anticipated a full-years savings of \$1.0 million based upon an effective date of July 1, 1992.