

HOUSE BILL REPORT

EHB 3002

As Passed House:

March 13, 2002

Title: An act relating to the treatment of income and resources for institutionalized persons receiving medical assistance.

Brief Description: Concerning the treatment of income and resources for institutionalized persons receiving medical assistance.

Sponsors: By Representatives Cody and Sommers.

Brief History:

Committee Activity:

Appropriations: 3/7/02

Floor Activity:

Passed House: 3/13/02, 52-44.

Brief Summary of Engrossed Bill

- Requires the Department of Social and Health Services to allow spouses of institutionalized persons receiving medical assistance to retain up to \$30,000 in resources.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority/Minority Report: None.

Staff: Bernard Dean (786-7130).

Background:

The federal Social Security Act requires states to protect the income and assets of the spouses of nursing home residents receiving Medicaid services and of nursing home-eligible persons receiving Medicaid services through a Community Options Program Entry System (COPES) waiver.

When one member of a couple receives medical assistance, the total value of all resources belonging to either spouse is computed to determine whether a spouse receiving

long-term care services in a nursing facility or in the community meets the state resource standard for Medicaid. The couple's home, household goods, automobile, and burial funds are not included in the couple's combined resources. Half of the total is attributed to each spouse. In accordance with federal requirements, the spouse not receiving long-term care services must be allowed to retain at least \$17,856 and not more than \$89,280 in assets. States are authorized to set the level of protection higher than the federal minimum, but not more than the federal maximum.

Summary of Engrossed Bill:

The Department of Social and Health Services (DSHS) will allow up to a maximum of \$30,000 in resources for the community spouse of persons institutionalized on or after July 1, 2002.

For the fiscal biennium beginning July 1, 2003, and each fiscal biennium thereafter, the maximum resource allowance amount for the community spouse shall be adjusted for economic trends and conditions by increasing the amount allowable by the consumer price index as published by the federal Bureau of Labor Statistics. However, in no case shall the amount allowable exceed the maximum resource allowance permissible under the Social Security Act.

Appropriation: None.

Fiscal Note: Available on original bill.

Effective Date: The bill takes effect on July 1, 2002.

Testimony For: (With concerns) The DSHS has some fiscal concerns with the assumptions used for the spousal asset protection changes. The majority of these persons will use other avenues to protect their assets and qualify for Medicaid. The Social Security Act requires states that use less than the maximum to monitor the assets of all nursing facility admissions of married individuals, which would have a significant workload impact on the department. In addition to the spousal asset reductions, the department is also concerned that the spousal income reductions assumed in the House budget proposal are based on one month of data. The department does not believe that all of the \$2.7 million in General Fund-State savings assumed in the House budget would be realized in the 2001-03 biennium.

Testimony Against: None.

Testified: Bill Moss, Department of Social and Health Services.