

*See Human Resources 3/21/81
Original passed 4/4/81 & 8/6/81
4/2/81 (3/10/81)*

FILED MAR 9 1981

SENATE FILE 377

BY COMMITTEE ON HUMAN RESOURCES
Approved 3/9 (p 7.7)
(FORMERLY SSB 270)

Passed Senate, Date 3-20-81 (p 296) Passed House, Date 4-28-81 (p 1466)

Vote: Ayes 35 Nays 0 Vote: Ayes 92 Nays 0

Approved June 14 1981
*Motion to reconsider (p. 1486) approved 5/5/81
Repassed House 5-21-81 (p 2139)
93-0*

A BILL FOR

1 An Act relating to the disposal of resources for less than
2 fair market value by individuals eligible for medical
3 assistance.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 249A.3, Code 1981, is amended by add-
2 ing the following new subsection:

3 NEW SUBSECTION. In determining the eligibility of an indi-
4 vidual for medical assistance under this chapter, the depart-
5 ment shall include, as resources still available to the indi-
6 vidual, those nonexempt resources or interests in resources,
7 owned by the individual within the preceding twenty-four
8 months, which the individual gave away or sold at less than
9 fair market value for the purpose of establishing eligibility
10 for medical assistance under this chapter.

11 a. A transaction described in this subsection is presumed
12 to have been for the purpose of establishing eligibility for
13 medical assistance under this chapter unless the individual
14 furnishes convincing evidence to establish that the transaction
15 was exclusively for some other purpose.

16 b. The value of a resource or an interest in a resource
17 in determining eligibility under this subsection is the fair
18 market value of the resource or interest at the time of the
19 transaction less the amount of any compensation received.

20 c. If a transaction described in this subsection results
21 in uncompensated value exceeding twelve thousand dollars,
22 the department shall provide by rule for a period of
23 ineligibility which exceeds twenty-four months and has a
24 reasonable relationship to the uncompensated value above
25 twelve thousand dollars.

26 EXPLANATION

27 Recent changes in federal law regarding federal supplemental
28 security income and state supplementary assistance require
29 that resources, given away or sold at less than fair market
30 value within the 24 months preceding the eligibility
31 determination date, be included as resources still available
32 to the recipient. The federal law allows the states to adopt
33 the same requirements for medical assistance (Medicaid)
34 recipients under chapter 249A. This bill adopts those
35 requirements. The bill also adopts an optional requirement

1 that the department of social services impose a period of
2 ineligibility longer than 24 months for uncompensated values
3 exceeding \$12,000.

4 The bill would become law July 1 following enactment.

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SENATE FILE 377

II-3448

1 Amend Senate File 377 as follows:

2 1. Page 1, by inserting before line 1 the follow-
3 ing:

4 "Section 1. Chapter 239, Code 1981, is amended
5 by adding the following new section:

6 NEW SECTION. In determining the eligibility of
7 an individual for assistance under this chapter, the
8 department shall include, as resources still available
9 to the individual, those nonexempt resources or
10 interests in resources, owned by the individual within
11 the preceding twenty-four months, which the individual
12 gave away or sold at less than fair market value for
13 the purpose of establishing eligibility for assistance
14 under this chapter.

15 1. A transaction described in this section is
16 presumed to have been for the purpose of establishing
17 eligibility for assistance under this chapter unless
18 the individual furnishes convincing evidence to
19 establish that the transaction was exclusively for
20 some other purpose.

21 2. The value of a resource or an interest in a
22 resource in determining eligibility under this section
23 is the fair market value of the resource or interest
24 at the time of the transaction less the amount of
25 any compensation received.

26 3. If a transaction described in this section
27 results in uncompensated value exceeding twelve
28 thousand dollars, the department shall provide by
29 rule for a period of ineligibility which exceeds
30 twenty-four months and has a reasonable relationship
31 to the uncompensated value above twelve thousand
32 dollars."

33 2. Title page, line 3, by inserting after the
34 word "assistance" the words "and aid to dependent
35 children benefits".

H-3448 FILED

APRIL 2, 1981

Adopted 4/28/81 (p. 1426)

Presented by Nicholas 5/21/81 (p. 2130)

BY COMMITTEE ON HUMAN RESOURCES

CLARK of Cerro Gordo, Chair

SENATE FILE 377

H-3476

1 Amend Senate File 377 as follows:
2 1. Page 1, by striking lines 20 through 25 and
3 inserting in lieu thereof the following:
4 "c. If a transaction described in this subsection
5 results in uncompensated value the department shall
6 provide by rule for a period of ineligibility beginning
7 with the date of the transaction. If the uncompensated
8 value exceeds twelve thousand dollars the department
9 shall provide by rule for a period of ineligibility,
10 beginning with the date of the transaction, which
11 exceeds twenty-four months and has a reasonable
12 relationship to the uncompensated value above twelve
13 thousand dollars."

H-3476 FILED APRIL 3, 1981 BY SPEAR of Lee

H/S 4/28/81 (p. 1466)

SENATE FILE 377

H-3477

1 Amend House amendment, H-3448, to Senate File 377,
2 as follows:
3 1. Page 1, by striking lines 26 through 32 and
4 inserting in lieu thereof the following:
5 "3. If a transaction described in this section
6 results in uncompensated value the department shall
7 provide by rule for a period of ineligibility beginning
8 with the date of the transaction. If the uncompensated
9 value exceeds twelve thousand dollars the department
10 shall provide by rule for a period of ineligibility,
11 beginning with the date of the transaction, which
12 exceeds twenty-four months and has a reasonable
13 relationship to the uncompensated value above twelve
14 thousand dollars."

H-3477 FILED APRIL 3, 1981 BY SPEAR of Lee

H/S 4/28/81 (p. 1466)

SENATE FILE 377

H-3594

1 Amend House amendment, H-3448, to Senate File 377
2 as follows:
3 1. Page 1, lines 10 and 11, by striking the
4 words "within the preceding twenty-four months,".

H-3594 FILED APRIL 10, 1981 BY SPEAR of Lee

H/S 4/28/81 (p. 1466)

SENATE FILE 377

H-3603

1 Amend Senate File 377 as follows:
2 1. Page 1, lines 7 and 8, by striking the words
3 "within the preceding twenty-four months,".

H-3603 FILED APRIL 10, 1981 BY SPEAR of Lee

H/S 4/28/81 (p. 1466)

the department shall provide by rule for a period of ineligibility which exceeds twenty-four months and has a reasonable relationship to the uncompensated value above twelve thousand dollars.

SENATE FILE 377

AN ACT

RELATING TO THE DISPOSAL OF RESOURCES FOR LESS THAN FAIR MARKET VALUE BY INDIVIDUALS ELIGIBLE FOR MEDICAL ASSISTANCE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 249A.3, Code 1981, is amended by adding the following new subsection:

NEW SUBSECTION. In determining the eligibility of an individual for medical assistance under this chapter, the department shall include, as resources still available to the individual, those nonexempt resources or interests in resources, owned by the individual within the preceding twenty-four months, which the individual gave away or sold at less than fair market value for the purpose of establishing eligibility for medical assistance under this chapter.

a. A transaction described in this subsection is presumed to have been for the purpose of establishing eligibility for medical assistance under this chapter unless the individual furnishes convincing evidence to establish that the transaction was exclusively for some other purpose.

b. The value of a resource or an interest in a resource in determining eligibility under this subsection is the fair market value of the resource or interest at the time of the transaction less the amount of any compensation received.

c. If a transaction described in this subsection results in uncompensated value exceeding twelve thousand dollars,

TERRY E. BRANSTAD
President of the Senate

DELWYN STROMER
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 377, Sixty-ninth General Assembly.

Approved June 14, 1981

LINDA HOWARTH MACKAY
Secretary of the Senate

ROBERT D. RAY
Governor