

JAN 9 1995  
HUMAN RESOURCES

HOUSE FILE 6  
BY RUNNING

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the minimum community spouse resource  
2 allowance under the medical assistance program to be retained  
3 by a community spouse.

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

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1 Section 1. Section 249A.3, subsection 9, Code 1995, is  
2 amended to read as follows:

3 9. Beginning October 1, ~~1990~~ 1995, in determining the  
4 eligibility of an institutionalized individual for assistance  
5 under this chapter, the department shall establish a minimum  
6 community spouse resource allowance amount of ~~twenty-four~~  
7 forty thousand dollars to be retained for the benefit of the  
8 institutionalized individual's community spouse in accordance  
9 with the federal Social Security Act, section 1924(f) as  
10 codified in 42 U.S.C. § 1396r-5(f).

11 EXPLANATION

12 This bill increases the minimum community spouse resource  
13 allowance to be retained by a community spouse of an  
14 institutionalized recipient of medical assistance from \$24,000  
15 to \$40,000 beginning October 1, 1995.

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**HOUSE FILE 6  
FISCAL NOTE**

A fiscal note for **House File 6 - Community Resource Spouse Allowance** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 6 increases the minimum community spouse resource allowance to be retained by a community spouse of an institutionalized recipient of the Medical Assistance Program from \$24,000 to \$40,000 beginning October 1, 1995. Currently, for determining eligibility for Medical Assistance payments for institutionalized persons, community property is divided between the community spouse and the institutionalized spouse. The minimum community resource spouse allowance is the minimum retained by the community spouse, no matter how low the community assets. By raising the community resource spouse allowance, the community spouse will retain up to an additional \$16,000 than is currently allowed, expanding eligibility for Medical Assistance.

Assumptions:

1. An additional 180 individuals would be eligible for the Medical Assistance Program.
2. The average additional cost per individual is \$2,049 in FY 1996 and \$2,178 in FY 1997.
3. The first-year cost will be three-fourths that of the second year cost because of the October 1, 1995, implementation date.
4. The State match rate is 35.78% for both FY 1996 and FY 1997.

Fiscal Effect:

	FY 1996	FY 1997
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Per person cost/month	\$ 2,049	\$ 2,178
Additional Persons	x 180	x 180
<b>Total Monthly Cost</b>	<b>\$ 368,820</b>	<b>\$ 392,040</b>
	-----	-----
Months	x 9	x 12
Total Cost	\$ 3,319,380	\$ 4,704,480
State Match	x .3578	x .3578
	-----	-----
<b>General Fund Cost</b>	<b>\$ 1,187,674</b>	<b>\$ 1,683,263</b>
	=====	=====

Additional costs include the following:

- |                                         |          |
|-----------------------------------------|----------|
| 1. Medical Assistance claims processing | \$ 8,240 |
| 2. Nursing facility reviews             | 10,652   |
| 3. Mailing costs                        | 820      |
|                                         | -----    |

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Total	\$ 19,712
Administrative Match rate	x .5000
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General Fund Cost (each year)	\$ 9,856
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The total FY 1996 General Fund cost is \$1,187,674 + \$9,856 (administrative costs) = \$1,197,530. The FY 1997 General Fund cost is \$1,683,263 + \$9,856 (administrative costs) = \$1,693,119.

Source: Department of Human Services

(LSB 1021hh, LCS)

FILED JANUARY 31, 1995

BY DENNIS PROUTY, FISCAL DIRECTOR