

FEB 18 1999

HUMAN RESOURCES

HOUSE FILE 316
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Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to eligibility of certain disabled persons under
2 the optional services coverage category of medical assistance.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 316

1 Section 1. Section 249A.3, subsection 2, Code 1999, is
2 amended by adding the following new lettered paragraph before
3 paragraph a and renumbering the subsequent paragraphs:

4 NEW PARAGRAPH. a. Individuals who are defined as disabled
5 persons pursuant to 42 U.S.C. § 1396(a)(10)(A)(ii)(XIII), who
6 are members of families whose family net income, based upon
7 the family's combined income including all earnings, is less
8 than two hundred fifty percent of the most recently revised
9 poverty income guidelines published by the United States
10 department of health and human services, and who, but for
11 employment earnings in excess of the limit established under
12 42 U.S.C. § 1396d(q)(2)(B) would be eligible for federal
13 supplemental security income. Individuals eligible for
14 assistance under this paragraph who are not eligible under
15 another provision of this section shall pay a premium and a
16 cost-sharing amount. The cost-sharing amount, which shall be
17 paid by the individual to the state as a client contribution
18 on a payment basis adopted by rule of the department, shall be
19 equivalent to the individual's amount of unearned income which
20 is in excess of the federal supplemental security income
21 standard cash benefit. The premium payment amount shall be
22 based on a sliding fee schedule adopted by rule of the
23 department and based on a percentage of the individual's
24 adjusted earned net income. In addition, the sliding fee
25 schedule shall provide for a disregard of ten thousand dollars
26 in resources held by the individual and a disregard of amounts
27 deposited in retirement and medical savings accounts held by
28 the individual. The sliding fee amount shall be commensurate
29 with comparable premium amounts required by private insurers
30 in the state. This paragraph shall be implemented no later
31 than January 1, 2000.

32 EXPLANATION

33 This bill provides that under the optional categories to be
34 covered under the medical assistance program, the highest
35 priority is provision of coverage to disabled persons with

1 family net incomes less than 250 percent of the federal
2 poverty level, who would otherwise be eligible for federal
3 supplemental security income but for income generated through
4 their employment. If the person is eligible for medical
5 assistance under this new provision the person must pay an
6 amount in cost-sharing and a premium, based upon a sliding fee
7 schedule established by rule of the department.

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**HOUSE FILE 316
FISCAL NOTE**

A fiscal note for House File 316 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 316 provides that disabled persons with incomes up to 250.0% of the federal poverty level are to be accorded the highest priority under the Medicaid Buy-In optional coverage categories of the Medical Assistance Program. Individuals participating in the Medical Assistance Program under this provision are required to pay a cost-sharing and premium amount based upon a sliding fee scale.

ASSUMPTIONS

1. Providing for Medicaid Buy-In coverage for disabled individuals with incomes up to 250.0% of the federal poverty level will require computer system changes which will cost approximately \$390,000 in FY 2000.
2. The computer system changes will be complete and enrollment will begin January 1, 2000.
3. The Medical Assistance fiscal agent will develop a computer system for billing and collecting premiums and will maintain the system at a cost of \$100,000 for each full fiscal year in which it administers the system.
4. Disabled individuals will enroll at the rate of approximately six per month for the second half of FY 2000 and at the rate of approximately ten per month for FY 2001.
5. Participants will pay an average monthly premium of \$65 per enrollee.
6. Enrollees will transfer from existing Supplemental Security Income Medicaid coverage groups. The State cost of serving these enrollees through Medicaid Buy-In will remain the same as the cost of serving them through the Supplemental Security Income Program.

FISCAL IMPACT

The fiscal impact of House File 316 is estimated to be a General Fund cost of approximately \$257,000 in FY 2000 and \$21,000 in FY 2001.

Expenditure Breakdown:

	<u>FY 2000</u>	<u>FY 2001</u>
Expenditures:		
Computer system development	\$390,000	\$ 0
Fiscal agent contract	50,000	100,000

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Resources:

Premiums	8,000	78,000
Federal reimbursements	176,000	1,000
Total State Cost	<u>\$257,000</u>	<u>\$ 21,000</u>

SOURCE

Department of Human Services

(LSB 1862hh, DAA)

FILED MARCH 3, 1999

BY DENNIS PROUTY, FISCAL DIRECTOR