

H-3117/99 Referred to Approp.

MAR 10 1999

Place On Calendar

HOUSE FILE 586
BY COMMITTEE ON HUMAN RESOURCES

(SUCCESSOR TO HF 316)

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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HOUSE FILE 586

H-1081

- 1 Amend House File 586 as follows:
- 2 1. Page 1, line 5, by striking the words "who are
- 3 disabled" and inserting the following: "with
- 4 disabilities".
- 5 2. Title page, line 1, by striking the words
- 6 "disabled persons" and inserting the following:
- 7 "persons with disabilities".

By WITT of Black Hawk

H-1081 FILED MARCH 12, 1999

HF 586

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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. As allowed under 42 U.S.C. §
5 1396a(a)(10)(A)(ii)(XIII), individuals who are disabled, who
6 are members of families whose income is less than two hundred
7 fifty percent of the most recently revised official poverty
8 line published by the federal office of management and budget
9 for the family, and who are otherwise eligible for medical
10 assistance or additional medical assistance under this section
11 but for earnings in excess of the limit established under 42
12 U.S.C. § 1396d(q)(2)(B). As allowed by 42 U.S.C. §
13 1396a(r)(2), unearned income shall be disregarded in
14 determining whether an individual is otherwise eligible for
15 medical assistance or additional medical assistance under this
16 paragraph. For the purposes of determining the amount of an
17 individual's resources under this paragraph, a maximum of ten
18 thousand dollars of available resources shall be disregarded
19 and any additional resources held in a retirement account, in
20 a medical savings account, or in any other account approved
21 under rules adopted by the department shall also be
22 disregarded. Individuals eligible for assistance under this
23 paragraph, whose individual income exceeds one hundred fifty
24 percent of the official poverty line published by the federal
25 office of management and budget for an individual, shall pay a
26 premium. The amount of the premium shall be based on a
27 sliding fee schedule adopted by rule of the department and
28 shall be based on a percentage of the individual's income.
29 The maximum premium payable by such individual shall be
30 commensurate with premiums charged for private group health
31 insurance in this state. This paragraph shall be implemented
32 no later than March 1, 2000.

33 EXPLANATION

34 This bill provides that under the optional categories to be
35 covered under the medical assistance program, the highest

1 priority is provision of coverage to disabled persons with
2 family net incomes less than 250 percent of the federal
3 poverty level, who would otherwise be eligible for medical
4 assistance but for income generated through their employment.
5 The bill provides that for the purposes of determining the
6 amount of an individual's resources a maximum of \$10,000 is
7 disregarded as are any additional resources held in a
8 retirement, medical savings, or other account approved under
9 rules of the department. If the person is eligible for
10 medical assistance under this new provision and the person's
11 income exceeds 150 percent of the poverty level, the person
12 must pay an amount in a premium or other cost-sharing, based
13 upon a sliding fee schedule established by rule of the
14 department. The new optional medical assistance is to be
15 implemented no later than March 1, 2000.

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**HOUSE FILE 586
FISCAL NOTE**

A fiscal note for House File 586 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 586 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. For the purpose of determining an individual's resources, a maximum of \$10,000 of available resources is to be disregarded. The Bill also provides that individuals participating in the Medicaid Buy-In with incomes exceeding 150.0% of the federal poverty level 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 March 1, 2000.
3. The Medical Assistance fiscal agent will develop a computer system for billing and collecting premiums at a cost of \$15,000, and will maintain the system at a cost of \$100,000 for each full fiscal year in which it administers the system.
4. An average of 22 individuals will be enrolled in the program in FY 2000, and an average of 210 individuals will be enrolled in the program in FY 2001.
5. Participants will pay an average monthly premium of \$70 per enrollee.

FISCAL IMPACT

The fiscal impact of House File 586 is estimated to be a General Fund cost of approximately \$241,000 in FY 2000 and \$117,000 in FY 2001.

**HOUSE FILE 586
FISCAL NOTE**

A fiscal note for **House File 586** 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 586 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. For the purpose of determining an individual's resources, a maximum of \$10,000 of available resources is to be disregarded. The Bill also provides that individuals participating in the Medicaid Buy-In with incomes exceeding 150.0% of the federal poverty level 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 March 1, 2000.
3. The Medical Assistance fiscal agent will develop a computer system for billing and collecting premiums at a cost of \$15,000, and will maintain the system at a cost of \$100,000 for each full fiscal year in which it administers the system.
4. An average of 22 individuals will be enrolled in the program in FY 2000, and an average of 210 individuals will be enrolled in the program in FY 2001.
5. Participants will pay an average monthly premium of \$70 per enrollee.

FISCAL IMPACT

The fiscal impact of House File 586 is estimated to be a General Fund cost of approximately \$241,000 in FY 2000 and \$117,000 in FY 2001.

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Breakdown:

	<u>FY 2000</u>	<u>FY 2001</u>
Expenditures:		
Computer system development	\$390,000	\$ 0
Fiscal agent contract	48,000	100,000
Medicaid coverage for new enrollees	28,000	252,000
Other Medicaid benefits costs	11,000	104,000
Resources:		
Premiums	18,000	176,000
Federal reimbursements	218,000	163,000
Total State Cost	<u>\$241,000</u>	<u>\$117,000</u>

SOURCE

Department of Human Services

(LSB 1862hv, DAA)

FILED MARCH 15, 1999

BY DENNIS PROUTY, FISCAL DIRECTOR

**HOUSE FILE 586
FISCAL NOTE**

A fiscal note for **House File 586** 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 586 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. For the purpose of determining an individual's resources, a maximum of \$10,000 of available resources is to be disregarded. The Bill also provides that individuals participating in the Medicaid Buy-In Program with incomes exceeding 150.0% of the federal poverty level 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. Federal funds will reduce the State cost of the computer system changes to approximately \$213,000.
2. The computer system changes will be complete and enrollment will begin March 1, 2000.
3. The Medical Assistance fiscal agent will develop a computer system for billing and collecting premiums at a cost of \$15,000, and will maintain the system at a cost of \$100,000 for each full fiscal year in which it administers the system.
4. Average enrollment in the Medicaid Buy-In Program is estimated at 22 individuals in FY 2000, 210 individuals in FY 2001, and 483 individuals in FY 2002.
5. Participants will pay an average monthly premium of \$70 per enrollee.
6. Federal incentives may be received by the DHS to offset the costs of the Medicaid Buy-In Program under the federal Work Incentives Improvement Act. The Act provides a minimum award of \$500,000 to qualifying states. Iowa is required to implement the Medicaid Buy-In Program in order to qualify for this federal incentive.
7. The Medicaid Buy-In Program may reduce the cost of services provided to disabled individuals through other State funded assistance programs. Due to increased earnings, disabled individuals may qualify for fewer public benefits including food stamps, rent subsidies, state supplementary assistance, and vocational rehabilitation. The fiscal impact of this service reduction cannot be determined.

8. The Medicaid Buy-In Program may increase tax revenues received by the State due to increased earnings of individuals served through the Program. The fiscal impact of this tax revenue cannot be determined.

FISCAL IMPACT

The fiscal impact of House File 586 is estimated to be a General Fund cost of approximately \$241,000 in FY 2000, \$117,000 in FY 2001, and \$307,000 in FY 2002.

Breakdown:

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
Expenditures:			
Computer system development	\$390,000	\$ 0	\$ 0
Fiscal agent contract	48,000	100,000	100,000
Medicaid coverage for enrollees	28,000	252,000	868,000
Other Medicaid benefits costs	11,000	104,000	297,000
Resources:			
Premiums	18,000	176,000	475,000
Federal reimbursements	218,000	163,000	483,000
Total State Cost	<u>\$241,000</u>	<u>\$117,000</u>	<u>\$307,000</u>

SOURCES

Department of Education
Department of Human Services

(LSB 1862hv.2, DAA)

FILED MARCH 25, 1999

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 586

H-1224

1 Amend House File 586 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. Section 249A.3, subsection 2, Code
5 1999, is amended by adding the following new lettered
6 paragraph before paragraph a and renumbering the
7 subsequent paragraphs:

8 NEW PARAGRAPH. a. As allowed under 42 U.S.C. §
9 1396a(a)(10)(A)(ii)(XIII), individuals with
10 disabilities, who are less than sixty-five years of
11 age, who are members of families whose income is less
12 than two hundred fifty percent of the most recently
13 revised official poverty line published by the federal
14 office of management and budget for the family, who
15 have earned income and who are eligible for medical
16 assistance or additional medical assistance under this
17 section if earnings are disregarded. As allowed by 42
18 U.S.C. § 1396a(r)(2), unearned income shall also be
19 disregarded in determining whether an individual is
20 eligible for assistance under this paragraph. For the
21 purposes of determining the amount of an individual's
22 resources under this paragraph and as allowed by 42
23 U.S.C. § 1396a(r)(2), a maximum of ten thousand
24 dollars of available resources shall be disregarded
25 and any additional resources held in a retirement
26 account, in a medical savings account, or in any other
27 account approved under rules adopted by the department
28 shall also be disregarded. Individuals eligible for
29 assistance under this paragraph, whose individual
30 income exceeds one hundred fifty percent of the
31 official poverty line published by the federal office
32 of management and budget for an individual, shall pay
33 a premium. The amount of the premium shall be based
34 on a sliding fee schedule adopted by rule of the
35 department and shall be based on a percentage of the
36 individual's income. The maximum premium payable by
37 an individual whose income exceeds one hundred fifty
38 percent of the official poverty line shall be
39 commensurate with premiums charged for private group
40 health insurance in this state. This paragraph shall
41 be implemented no later than March 1, 2000."

42 2. Title page, line 1, by striking the words
43 "disabled persons" and inserting the following:
44 "persons with disabilities".

By WITT of Black Hawk

H-1224 FILED MARCH 24, 1999