

3/9/99 Do Pass

HUMAN RESOURCES

FILED FEB 24 1999

REPRINTED

SENATE FILE 211

BY JENSEN

(COMPANION TO LSB 1862HH BY DIX)

Passed Senate, ^(p. 801) Date 3/25/99 Passed House, Date 4/15/99
 Vote: Ayes 48 Nays 0 Vote: Ayes 93 Nays 0
 Approved 4-30-99

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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SF 211
HUMAN RESOURCES

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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SENATE FILE 211
FISCAL NOTE

A fiscal note for Senate File 211 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.

Senate File 211 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 Senate File 211 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 1862SS, DAA)

SENATE FILE 211

-3152

1 Amend Senate File 211 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 MAGGIE TINSMAN

S-3152 FILED MARCH 25, 1999
ADOPTED

(p. 800)

SENATE FILE 211

S-3134

1 Amend Senate File 211 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 members of families whose income
11 is less than two hundred fifty percent of the most
12 recently revised official poverty line published by
13 the federal office of management and budget for the
14 family, and who are otherwise eligible for medical
15 assistance or additional medical assistance under this
16 section but for earnings in excess of the limit
17 established under 42 U.S.C. § 1396d(q)(2)(B). As
18 allowed by 42 U.S.C. § 1396a(r)(2), unearned income
19 shall be disregarded in determining whether an
20 individual is otherwise eligible for medical
21 assistance or additional medical assistance under this
22 paragraph. For the purposes of determining the amount
23 of an individual's resources under this paragraph, a
24 maximum of ten thousand dollars of available resources
25 shall be disregarded and any additional resources held
26 in a retirement account, in a medical savings account,
27 or in any other account approved under rules adopted
28 by the department shall also be disregarded.
29 Individuals eligible for assistance under this
30 paragraph, whose individual income exceeds one hundred
31 fifty percent of the official poverty line published
32 by the federal office of management and budget for an
33 individual, shall pay a premium. The amount of the
34 premium shall be based on a sliding fee schedule
35 adopted by rule of the department and shall be based
36 on a percentage of the individual's income. The
37 maximum premium payable by such individual shall be
38 commensurate with premiums charged for private group
39 health insurance in this state. This paragraph shall
40 be implemented no later than March 1, 2000."
41 2. Title page, line 1, by striking the words
42 "disabled persons" and inserting the following:
43 "persons with disabilities".

By MAGGIE TINSMAN

S-3134 FILED MARCH 24, 1999

Withdrawn
3/25/99
(P. 800)

**SENATE FILE 211
FISCAL NOTE**

A fiscal note for Senate File 211 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.

Senate File 211 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.

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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 Senate File 211 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 1862ss.2, DAA)

FILED MARCH 31, 1999

BY DENNIS PROUTY, FISCAL DIRECTOR

H. 3/26/99 Hummel Res.
H. 3/30/99 Do Pass

SENATE FILE 211
BY JENSEN

(COMPANION TO LSB 1862HH BY DIX)

(AS AMENDED AND PASSED BY THE SENATE MARCH 25, 1999)

ALL New Language by the Senate

Passed Senate, Date _____ Passed House, Date 4/15/99
Vote: Ayes _____ Nays _____ Vote: Ayes 93 Nays 0
Approved April 30, 1999

A BILL FOR

1 An Act relating to eligibility of certain persons with
2 disabilities under the optional services coverage category of
3 medical assistance.

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

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S.F. 211

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 with disabilities, who
6 are less than sixty-five years of age, who are members of
7 families whose income is less than two hundred fifty percent
8 of the most recently revised official poverty line published
9 by the federal office of management and budget for the family,
10 who have earned income and who are eligible for medical
11 assistance or additional medical assistance under this section
12 if earnings are disregarded. As allowed by 42 U.S.C. §
13 1396a(r)(2), unearned income shall also be disregarded in
14 determining whether an individual is eligible for assistance
15 under this paragraph. For the purposes of determining the
16 amount of an individual's resources under this paragraph and
17 as allowed by 42 U.S.C. § 1396a(r)(2), 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 an individual whose income
30 exceeds one hundred fifty percent of the official poverty line
31 shall be commensurate with premiums charged for private group
32 health insurance in this state. This paragraph shall be
33 implemented no later than March 1, 2000.

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AN ACT
RELATING TO ELIGIBILITY OF CERTAIN PERSONS WITH DISABILITIES
UNDER THE OPTIONAL SERVICES COVERAGE CATEGORY OF MEDICAL
ASSISTANCE.

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

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

NEW PARAGRAPH. a. As allowed under 42 U.S.C. § 1396a(a)(10)(A)(ii)(XIII), individuals with disabilities, who are less than sixty-five years of age, who are members of families whose income is less than two hundred fifty percent of the most recently revised official poverty line published by the federal office of management and budget for the family, who have earned income and who are eligible for medical assistance or additional medical assistance under this section if earnings are disregarded. As allowed by 42 U.S.C. § 1396a(r)(2), unearned income shall also be disregarded in determining whether an individual is eligible for assistance under this paragraph. For the purposes of determining the amount of an individual's resources under this paragraph and as allowed by 42 U.S.C. § 1396a(r)(2), a maximum of ten thousand dollars of available resources shall be disregarded and any additional resources held in a retirement account, in a medical savings account, or in any other account approved under rules adopted by the department shall also be disregarded. Individuals eligible for assistance under this paragraph, whose individual income exceeds one hundred fifty percent of the official poverty line published by the federal office of management and budget for an individual, shall pay a premium. The amount of the premium shall be based on a

sliding fee schedule adopted by rule of the department and shall be based on a percentage of the individual's income. The maximum premium payable by an individual whose income exceeds one hundred fifty percent of the official poverty line shall be commensurate with premiums charged for private group health insurance in this state. This paragraph shall be implemented no later than March 1, 2000.

MARY E. KRAMER
President of the Senate

RON J. CORBETT
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 211, Seventy-eighth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved April 30, 1999

THOMAS J. VILSACK
Governor