

CHAPTER 136**MEDICAL ASSISTANCE INCOME TRUST EXPENDITURES***H.F. 397*

AN ACT relating to the expenditures allowable from medical assistance income trusts.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 633C.3, subsection 1, Code 2007, is amended to read as follows:

1. Regardless of the terms of a medical assistance income trust, if the beneficiary's total monthly income is less than the average statewide charge for nursing facility services to a private pay resident of a nursing facility, then, during the life of the beneficiary, any property received or held by the trust shall be expended only as follows, as applicable, and in the following order of priority:

a. A reasonable amount may be paid or set aside each month for necessary expenses of the trust, not to exceed ten dollars per month without court approval.

b. From the remaining principal or income of the trust, ~~an amount sufficient to bring the beneficiary's available income up to three hundred percent of the benefit for an individual under the federal supplemental security income program shall be paid to or otherwise made available to the beneficiary on a monthly basis, to be counted as income or a resource in determining eligibility for medical assistance under chapter 249A~~ amounts may be paid for expenses that qualify as required deductions from income pursuant to 42 C.F.R. § 435.725(c) or 435.726(c) for purposes of determining the amount by which medical assistance payments under chapter 249A for institutional services or for home and community-based services provided under a federal waiver will be reduced based on the beneficiary's income.

c. If the beneficiary is an institutionalized individual ~~or receiving home and community-based services provided under a federal waiver~~, the remaining principal or income of the trust shall be paid directly to the provider of institutional care ~~or home and community-based services~~, on a monthly basis, for any cost not paid ~~by the beneficiary from the beneficiary's available income under paragraph "b"~~, to reduce any amount paid as medical assistance under chapter 249A.

d. Any remaining principal or income of the trust may, at the trustee's discretion or as directed by the terms of the trust, be paid directly to providers of other medical care or services that would otherwise be covered by medical assistance, paid to the state as reimbursement for medical assistance paid on behalf of the beneficiary, or retained by the trust.

Approved May 9, 2007