SENATE BILL REPORT
EHB 3002

As of March 13, 2002

Title: An act relating to the treatment of income and resources for institutionalized persons receiving medical assistance.

Brief Description: Concerning the treatment of income and resources for institutionalized persons receiving medical assistance.

Sponsors: Representatives Cody and Sommers.

Brief History:

Staff: Tim Yowell (786-7435)

Background: When a married person applies for Medicaid-funded long-term care in a nursing home or in the community under the COPES waiver, the other spouse is able to retain their home, furnishings, personal effects, and an automobile; up to $2,200 per month of income; and $89,280 in savings or other liquid assets. Under federal law, states must allow the spouse who isn’t applying for services to retain at least $17,856 in assets, and not more than $89,280.

Approximately 300 married persons begin receiving Medicaid-funded long-term care each month. Of these, approximately 70 are thought to have savings, equities, and other liquid assets in excess of $30,000. Requiring these couples to "spend down" to the $30,000 level would avoid an estimated $5.4 million in state and federal expenditures in Fiscal Year 2003, and an estimated $12 million per year thereafter.

Summary of Bill: Beginning July 1, 2002, the spouse of a person applying for Medicaid-funded long-term care must have less than $30,000 in cash resources to order for the applicant to qualify for Medicaid. The $30,000 resource threshold is adjusted annually by the change in the Consumer Price Index. Persons who were receiving Medicaid-funded long-term care under the higher resource standard in effect before July 1, 2002 continue to qualify under that higher standard.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect on July 1, 2002.