

SENATE BILL REPORT

SB 5730

As Reported By Senate Committee On:
Health & Long-Term Care, March 4, 2003

Title: An act relating to eligibility for long-term care services under the medical assistance program.

Brief Description: Concerning medical assistance eligibility requirements for long-term care services.

Sponsors: Senators Deccio, Thibaudeau, Parlette, Rossi, Keiser and Winsley.

Brief History:

Committee Activity: Health & Long-Term Care: 2/18/03, 3/4/03 [DPS].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 5730 be substituted therefor, and the substitute bill do pass.

Signed by Senators Deccio, Chair; Winsley, Vice Chair; Brandland, Franklin, Keiser, Parlette and Thibaudeau.

Staff: Rhoda Donkin (786-7198)

Background: The federal Social Security Act requires states to protect income and assets of the spouses of nursing home residents receiving Medicaid services and of nursing home eligible persons receiving Medicaid services through a Community Options Program System (COPES) waiver. When one spouse receives medical assistance, the total value of all resources belonging to either spouse is computed. Half of the total is attributed to each spouse. However, in accordance with federal requirements, the spouse not receiving long-term care services must be allowed to keep at least \$18,132 and not more than \$90,660 in assets. States are authorized to set the level of protection higher than the federal minimum, but not more than the federal maximum.

Summary of Substitute Bill: Legislative intent expresses concern that the eligibility policy for Medicaid has evolved to the point where people who have the ability to pay for care are using public funding for long-term care services.

The department is authorized to seek waivers from the federal government from requirements that the state exempt the value of the applicant's home or other real estate in determining eligibility for Medicaid services.

The department is directed to establish a referral service for individuals seeking long-term care to financial institutions that can arrange a home equity conversion mortgage. Use of service is voluntary. The department must continue to tighten eligibility requirements for Medicaid funded long-term care.

Substitute Bill Compared to Original Bill: The provisions that lower the amount of liquid assets that a couple may have and still be eligible for Medicaid are removed. The level will remain at the current maximum (about \$90,000) allowed by federal rules, instead of dropping to the minimum required (about \$18,000).

The department must work with stakeholders on efforts to strengthen Medicaid eligibility requirements.

Appropriation: None.

Fiscal Note: Requested on February 11, 2003.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Medicaid eligibility for long-term care services has to be changed. The program was designed for poor people, and is being used by middle income people who give assets to loved ones to become eligible for public services.

Testimony Against: The current system is being improved through rule changes that close loopholes this year. We must be careful not to impoverish people even more than they already have to be to receive public assistance.

Testified: Juliann Kocer, National Academy of Elder Law Attorneys (con); Mary Dixon (con); Barbara West, WSBA, Elder Law Section (con); Wm. Pussault (con); Don C. Shoemaker, Senior Lobby (concerns); Penny Blade, DSHS (concerns); Bob Howell, Crista Senior Community (pro); Harry Steinmetz, WAHSA (pro); Jeff Crandall, Parkshore Ret. Comm. (pro); Jerry Reilly, Coalition for LTC Finance (pro); Steve Moses, Center for Long-Term Care Support (pro); John Kennedy, Normandy Mortgage (pro).