

HOUSE BILL REPORT

SSB 6583

As Reported by House Committee On:

Health Care & Wellness

Appropriations

Title: An act relating to eligibility for medical assistance.

Brief Description: Changing provisions relating to eligibility for medical assistance.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Brandland and Hargrove).

Brief History:

Committee Activity:

Health Care & Wellness: 2/21/08, 2/25/08 [DP];

Appropriations: 3/3/08 [DPA].

Brief Summary of Substitute Bill (As Amended by House Committee)

- Expands eligibility for individuals who are categorically needy under the Medicaid program, if funding is provided in the 2009-11 biennial budget.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass. Signed by 12 members: Representatives Cody, Chair; Morrell, Vice Chair; Hinkle, Ranking Minority Member; Alexander, Assistant Ranking Minority Member; Barlow, Condotta, DeBolt, Green, Moeller, Pedersen, Schual-Berke and Seaquist.

Staff: Dave Knutson (786-7146).

Background:

In Washington, an individual may qualify for Medicaid coverage under the "categorically needy" (CN) program if the individual is disabled, blind, or over age 65, and meets income limitations. The Department of Social and Health Services (DSHS) has set the income limitation for the CN program at \$637 per month for one person, or \$956 per month for two persons. A person who is disabled, blind, or over age 65, and who has an income greater than

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\$637 per month may qualify for Medicaid under the "medically needy" (MN) program only if the person can prove that the person has spent all of his or her excess income above \$637 per month on medical expenses for the three- or six-month period prior to coverage. A person who is released from a correctional institution or institution for mental diseases is not eligible to qualify for Medicaid under the MN program if the person's medical expenses for the previous three- or six-month period were covered by the institution. The DSHS may change the income limitation for the CN program within parameters authorized by the federal government without losing federal matching funds.

The federal poverty level (FPL) refers to poverty guidelines published annually by the federal Department of Health and Human Services. These guidelines are adjusted annually to account for inflation. The federal poverty level is currently \$851 per month for one individual or \$1,141 per month for two persons.

Summary of Bill:

The DSHS must raise the categorically needy income level for aged, blind, and disabled persons to 80 percent of the FPL as adjusted annually beginning July 1, 2009; 90 percent beginning July 1, 2011; and 100 percent beginning July 1, 2013. The act takes effect July 1, 2009, and the provisions of the bill are contingent upon funding provided in the 2009-11 biennial budget.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect July 1, 2009. However, the bill is null and void if not funded in the budget.

Staff Summary of Public Testimony:

(In support) Administrative costs would be reduced by transferring people from the MN program to the CN program. Inmates who are released from jail do not qualify for the MN program for several months following their release from confinement. This change would make it easier for mentally ill inmates to qualify for medical coverage upon their release.

(Opposed) None.

Persons Testifying: Jim Adams, National Alliance on Mental Illness - Washington; Peter Greenfield, Washington State Bar Association, Elder Law Section; Seth Dawson, Washington State Psychiatric Association; Bruce Reeves, Washington State Senior Citizens Lobby; John Masterson, Washington Community Mental Health Council; Dennis Mahar, Washington Association of Area Agencies on Aging; and Jim Watts.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended. Signed by 30 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant Ranking Minority Member; Cody, Conway, Darneille, Ericks, Fromhold, Grant, Green, Haigh, Hunt, Hunter, Kagi, Kenney, Kessler, Linville, McDonald, McIntire, Morrell, Pettigrew, Priest, Ross, Schmick, Schual-Berke, Seaquist, Sullivan and Walsh.

Minority Report: Do not pass. Signed by 3 members: Representatives Anderson, Chandler and Kretz.

Staff: Mark Matteson (786-7145).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Health Care & Wellness:

Future increases in the income threshold below which individuals that are disabled, blind, or over 65 are eligible for the Medicaid categorically needy program are limited to 80 percent of the federal poverty level, beginning July 1, 2009. The Department of Social and Health Services is required to conduct a detailed fiscal analysis of the threshold change and issue a report by November 1, 2010. The act's effectiveness is made expressly contingent upon funding provided for its purposes by June 30, 2009.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Amended Bill: The bill takes effect July 1, 2009, if funding for it is provided in the budget by June 30, 2009.

Staff Summary of Public Testimony:

(In support) We are very gratified by the very bipartisan support that this bill has received so far. The ability to seek and receive immediate medical attention for urgent medical or mental health problems is taken for granted. There are thousands of people in this state who cannot make that assumption and go without needed medical care until their situation is so dire that they end up in an emergency room. These folks must have expended a significant amount of their savings before they can become eligible for medically needy Medicaid coverage. This is a very poor population. One virtue of this bill is that, because it phases in slowly, a significant amount of information will be produced in the next biennium. There are 18 other states that have made a similar adjustment.

We very much support the controlled increase in the Medicaid categorically needy income threshold for this group. This is especially important with respect to this population's dental and mental health needs.

(Opposed) None.

Persons Testifying: Dennis Mahar, Washington Association of Area Agencies on Aging; and Peter Greenfield, Washington State Bar Association Elder Law Section.

Persons Signed In To Testify But Not Testifying: None.