

1
2 INTRODUCED BY Eck ^{Senate} BILL NO. 317 Cobb Waterman Carey
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE EXPANSION OF MEDICAID SERVICES TO
5 CERTAIN LOW-INCOME WOMEN AND CHILDREN; REQUIRING THE DEPARTMENT OF PUBLIC HEALTH
6 AND HUMAN SERVICES TO ADOPT RULES PROVIDING FOR MONTHLY FEES TO BE PAID BY NEW
7 MEDICAID RECIPIENTS; AMENDING SECTION 53-6-131, MCA; AND PROVIDING AN EFFECTIVE DATE."
8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10
11 **Section 1.** Section 53-6-131, MCA, is amended to read:

12 **"53-6-131. Eligibility requirements.** (1) Medical assistance under the Montana medicaid program
13 may be granted to a person who is determined by the department of public health and human services, in
14 its discretion, to be eligible as follows:

15 (a) The person receives or is considered to be receiving supplemental security income benefits
16 under Title XVI of the federal Social Security Act, 42 U.S.C. 1381, et seq., or aid to families with
17 dependent children under Title IV of the federal Social Security Act, 42 U.S.C. 601, et seq.

18 (b) The person would be eligible for assistance under a program described in subsection (1)(a) if
19 that person were to apply for that assistance.

20 (c) The person is in a medical facility that is a medicaid provider and, but for residence in the
21 facility, the person would be receiving assistance under one of the programs in subsection (1)(a).

22 (d) The person is under 19 years of age and meets the conditions of eligibility in the state plan for
23 aid to families with dependent children, other than with respect to school attendance.

24 (e) The person is under 21 years of age and in foster care under the supervision of the state or was
25 in foster care under the supervision of the state and has been adopted as a hard-to-place child.

26 (f) The person meets the nonfinancial criteria of the categories in subsections (1)(a) through (1)(e)
27 and:

28 (i) the person's income does not exceed the income level specified for federally aided categories
29 of assistance and the person's resources are within the resource standards of the federal supplemental
30 security income program; or

1 (ii) the person, while having income greater than the medically needy income level specified for
2 federally aided categories of assistance:

3 (A) has an adjusted income level, after incurring medical expenses, that does not exceed the
4 medically needy income level specified for federally aided categories of assistance or, alternatively, has paid
5 in cash to the department the amount by which the person's income exceeds the medically needy income
6 level specified for federally aided categories of assistance; and

7 (B) has resources that are within the resource standards of the federal supplemental security
8 income program.

9 (g) The person is a qualified pregnant woman or child as defined in 42 U.S.C. 1396d(n).

10 (2) The department may establish income and resource limitations. Limitations of income and
11 resources must be within the amounts permitted by federal law for the medicaid program.

12 (3) The Montana medicaid program shall pay, as required by federal law, the premiums necessary
13 for medicaid-eligible persons participating in the medicare program and may, within the discretion of the
14 department, pay all or a portion of the medicare premiums, deductibles, and coinsurance for a qualified
15 medicare-eligible person or for a qualified disabled and working individual, as defined in section 6408(d)(2)
16 of the federal Omnibus Budget Reconciliation Act of 1989, Public Law 101-239, who:

17 (a) has income that does not exceed income standards as may be required by the federal Social
18 Security Act; and

19 (b) has resources that do not exceed standards that the department determines reasonable for
20 purposes of the program.

21 (4) The department may pay a medicaid-eligible person's expenses for premiums, coinsurance, and
22 similar costs for health insurance or other available health coverage, as provided in 42 U.S.C. 1396b(a)(1).

23 (5) If waivers of federal law are granted by the secretary of the U.S. department of health and
24 human services, the department of public health and human services may grant eligibility for basic medicaid
25 benefits as described in 53-6-101 to an individual receiving aid to families with dependent children as the
26 specified caretaker relative of a dependent child under the FAIM project and to all adult recipients of medical
27 assistance only who are covered under a group related to aid to families with dependent children. A
28 recipient who is pregnant is entitled to full medicaid coverage as provided in 53-6-101.

29 (6) The department, under the Montana medicaid program, may provide, if a waiver is not available
30 from the federal government, medicaid and other assistance mandated by Title XIX of the federal Social

1 Security Act, 42 U.S.C. 1396, et seq., as may be amended, and not specifically listed in this part to
2 categories of persons that may be designated by the act for receipt of assistance.

3 (7) (a) Notwithstanding any other provision of this chapter, medical assistance must be provided
4 to:

5 (i) infants and pregnant women whose family income does not exceed ~~133%~~ 185% of the federal
6 poverty threshold, as provided in 42 U.S.C. 1396a(a)(10)(A)(ii)(IX) and 42 U.S.C. 1396a(l)(2)(A)(i), and
7 whose family resources do not exceed standards that the department determines reasonable for purposes
8 of the program; and

9 (ii) subject to appropriations, all children under 19 years of age, other than those referred to in
10 subsection (7)(a)(i), whose family income does not exceed 185% of the federal poverty threshold and
11 whose family resources do not exceed standards that the department determines reasonable for purposes
12 of the program.

13 (b) The department shall establish by rule a range of monthly fees to be paid for medicaid benefits
14 by medicaid recipients designated in subsection (7)(a)(i) whose family income is between 133% and 185%
15 of the federal poverty threshold and by medicaid recipients designated in subsection (7)(a)(ii) if those
16 monthly payments are allowed by federal waiver. The rules adopted by the department must provide for
17 a sliding scale of payments to be made to the department by each recipient as required by this subsection
18 and as permitted by federal waiver based upon the number of medicaid recipients per family and the
19 family's income. The department shall work with local health departments to control the cost of benefits
20 provided pursuant to subsections (7)(a)(i) and (7)(a)(ii).

21 (8) Subject to appropriations, the department may cooperate with and make grants to a nonprofit
22 corporation that uses donated funds to provide basic preventive and primary health care medical benefits
23 to children whose families are ineligible for the Montana medicaid program and who are ineligible for any
24 other health care coverage, are under 19 years of age, and are enrolled in school if of school age.

25 (9) ~~A~~ Any person described in subsection (7)(a) must be provided continuous eligibility for medical
26 assistance, as authorized in 42 U.S.C. 1396a(e)(5) through a(e)(7).

27 (10) The department may establish resource and income standards of eligibility for mental health
28 services that are more liberal than the resource and income standards of eligibility for physical health
29 services. The standards for eligibility for mental health services may provide for eligibility for households
30 with family income that does not exceed 200% of the federal poverty threshold or that does not exceed

1 a lesser amount determined in the discretion of the department. The department may by rule specify under
2 what circumstances deductions for medical expenses should be used to reduce countable family income
3 in determining eligibility. The department may also adopt rules establishing fees to be charged recipients
4 for services. The fees may vary according to family income."

5

6 NEW SECTION. **Section 2. Contingent effectiveness.** [Section 1] is only effective if funding for
7 the expansion of medicaid as provided in that section is not appropriated by the 55th legislature.

8

9 NEW SECTION. **Section 3. Effective date.** Subject to [section 2], [this act] is effective July 1,
10 1997.

11

-END-

STATE OF MONTANA - FISCAL NOTE

Revised Fiscal Note for SB0317, second reading

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing for the expansion of Medicaid services to certain low-income children; requiring the Department of Public Health and Human Services to adopt rules providing for monthly fees to be paid new Medicaid recipients.

ASSUMPTIONS:

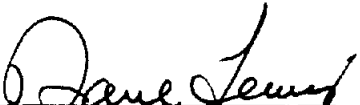
Health Policy & Services Division (DPHHS):

1. Under the current Medicaid program, infants and pregnant women whose income does not exceed 133% of poverty are eligible for coverage.
2. For purposes of this fiscal note, assume that the population of children is equally distributed across the range of federal poverty levels, i.e., if there are 100 children at or below 50% of federal poverty (2 children for each percentage point) there will be 200 children at or below 100% of federal poverty. (Actual data was not available for the income groups being analyzed here.)
3. Based on the above assumption, it is estimated that there will be 4,074 children who become eligible under this bill.
4. The average Medicaid cost per child was \$396 in fiscal year 1995. (This is based on using the poverty child subtype within the Medicaid claims payment system.) Using an estimated annual increase of 6% per year between 1995 and 1999, the fiscal year 1998 cost per child would be \$472, and fiscal year 1999 would be \$500. Total fiscal year 1998 Medicaid costs for children added would be \$1,922,928 and fiscal year 1999 would be \$2,037,000.
5. This bill allows the DPHHS to establish a fee schedule for payment of services in rule. However, provisions regarding specifics of the sliding fee scale are not included. Until the department received additional guidance, or made a determination of the type and level of fees to charge, an estimate of costs recovered cannot be made. For purposes of this fiscal note, only the additional expense of the services is shown and not the offsetting revenues generated by fees. For that reason, the reader should be aware that the net impact to the state from the additional benefit costs may be less than shown below.
6. Benefits costs are funded at the federal medical assistance percentage (FMAP) of 29.83% general fund, 70.17% federal funds in fiscal 1998 and 28.88% general fund, 71.12% federal funds in fiscal 1999).

Child & Family Services Division (DPHHS):

7. The division will need to determine eligibility for 4,074 new Medicaid cases involving expanded coverage of children.
8. The average caseload per worker is currently 185.50. This includes eligibility determination for Medicaid and other programs such as welfare and food stamps. It is assumed that the average caseload for the new Medicaid cases could be slightly higher, i.e., 200 cases per worker, since Medicaid-only cases will not be as complex as the regular caseload. Sixty-five percent of these will be new cases (35% are contained in the existing caseload); therefore, 13.00 FTE eligibility workers would be needed ($4,074/200 * 65\%$) to handle the additional cases.
9. Each FTE would be a grade 13 (\$29,473) and total personal services costs for the 13.00 FTE would be \$383,149 each year of the biennium.
10. Each FTE would require a computer (\$2,500) and office equipment (\$1,500). Total costs for equipment would total \$52,000 during fiscal 1998 only.
11. Operating costs would be approximately \$5,642 per year per FTE. Total cost is \$73,341 per year.

(Continued)


DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning


DOROTHY ECK, PRIMARY SPONSOR DATE

Revised Fiscal Note for SB0317, second reading

SB 317

(continued)

12. The new FTE would be apportioned between state-assumed and non-assumed county offices. Assumed counties would receive 7.00 FTE (51.7%) and non-assumed counties would receive 6.00 FTE (48.3%).
13. FTE, equipment, and operating costs would be funded 50% from the general fund and 50% from federal Medicaid funds in assumed counties and 50% from county funds and 50% from federal Medicaid funds in nonassumed counties.

FISCAL IMPACT:

	<u>FY98</u>	<u>FY99</u>
	<u>Difference</u>	<u>Difference</u>
Health Policy and Services Division:		
<u>Expenditures:</u>		
Benefits	\$1,922,928	\$2,037,000
<u>Funding:</u>		
General Fund	\$573,609	\$588,286
Federal Funds	<u>1,349,319</u>	<u>1,448,714</u>
Total	\$1,922,928	\$2,037,000

Child and Family Services Division:

<u>Expenditures:</u>		
FTE	13.00	13.00
Personal Services	\$383,149	\$383,149
Operating Costs	73,341	73,341
Equipment	<u>52,000</u>	<u>0</u>
Total	\$508,490	\$456,490
<u>Funding:</u>		
General Fund	\$131,371	\$117,936
State Special Revenue (County)	122,874	110,307
Federal Funds	<u>254,245</u>	<u>228,247</u>
Total	\$508,490	\$456,490

NET IMPACT ON FUND BALANCE: (Revenues Minus Expenditures)

General Fund (01)	(\$704,980)	(\$706,222)
-------------------	-------------	-------------

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

County expenditures would rise due to the cost of the county share for implementation of expanded Medicaid eligibility. (See assumptions 12 and 13 and funding section above.)

TECHNICAL NOTES:

Health Policy and Services Division

1. The sliding scale referenced in the bill on page 3, line 17 is not specific. Therefore actual revenues for this bill cannot be estimated.

SENATE BILL NO. 317

INTRODUCED BY ECK, COBB, WATERMAN, CAREY

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE EXPANSION OF MEDICAID SERVICES TO CERTAIN LOW-INCOME ~~WOMEN AND CHILDREN~~; ~~REQUIRING~~ AUTHORIZING THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES TO EXPAND MEDICAID ELIGIBILITY OR PURCHASE HEALTH INSURANCE IF THE FEDERAL GOVERNMENT OFFERS THE STATE THE OPTION AND TO ADOPT RULES PROVIDING FOR MONTHLY FEES TO BE PAID BY ~~NEW~~ CERTAIN MEDICAID RECIPIENTS; AMENDING SECTION 53-6-131, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 53-6-131, MCA, is amended to read:

"53-6-131. Eligibility requirements. (1) Medical assistance under the Montana medicaid program may be granted to a person who is determined by the department of public health and human services, in its discretion, to be eligible as follows:

(a) The person receives or is considered to be receiving supplemental security income benefits under Title XVI of the federal Social Security Act, 42 U.S.C. 1381, et seq., or aid to families with dependent children under Title IV of the federal Social Security Act, 42 U.S.C. 601, et seq.

(b) The person would be eligible for assistance under a program described in subsection (1)(a) if that person were to apply for that assistance.

(c) The person is in a medical facility that is a medicaid provider and, but for residence in the facility, the person would be receiving assistance under one of the programs in subsection (1)(a).

(d) The person is under 19 years of age and meets the conditions of eligibility in the state plan for aid to families with dependent children, other than with respect to school attendance.

(e) The person is under 21 years of age and in foster care under the supervision of the state or was in foster care under the supervision of the state and has been adopted as a hard-to-place child.

(f) The person meets the nonfinancial criteria of the categories in subsections (1)(a) through (1)(e) and:

(i) the person's income does not exceed the income level specified for federally aided categories

1 of assistance and the person's resources are within the resource standards of the federal supplemental
2 security income program; or

3 (ii) the person, while having income greater than the medically needy income level specified for
4 federally aided categories of assistance:

5 (A) has an adjusted income level, after incurring medical expenses, that does not exceed the
6 medically needy income level specified for federally aided categories of assistance or, alternatively, has paid
7 in cash to the department the amount by which the person's income exceeds the medically needy income
8 level specified for federally aided categories of assistance; and

9 (B) has resources that are within the resource standards of the federal supplemental security
10 income program.

11 (g) The person is a qualified pregnant woman or child as defined in 42 U.S.C. 1396d(n).

12 (2) The department may establish income and resource limitations. Limitations of income and
13 resources must be within the amounts permitted by federal law for the medicaid program.

14 (3) The Montana medicaid program shall pay, as required by federal law, the premiums necessary
15 for medicaid-eligible persons participating in the medicare program and may, within the discretion of the
16 department, pay all or a portion of the medicare premiums, deductibles, and coinsurance for a qualified
17 medicare-eligible person or for a qualified disabled and working individual, as defined in section 6408(d)(2)
18 of the federal Omnibus Budget Reconciliation Act of 1989, Public Law 101-239, who:

19 (a) has income that does not exceed income standards as may be required by the federal Social
20 Security Act; and

21 (b) has resources that do not exceed standards that the department determines reasonable for
22 purposes of the program.

23 (4) The department may pay a medicaid-eligible person's expenses for premiums, coinsurance, and
24 similar costs for health insurance or other available health coverage, as provided in 42 U.S.C. 1396b(a)(1).

25 (5) If waivers of federal law are granted by the secretary of the U.S. department of health and
26 human services, the department of public health and human services may grant eligibility for basic medicaid
27 benefits as described in 53-6-101 to an individual receiving aid to families with dependent children as the
28 specified caretaker relative of a dependent child under the FAIM project and to all adult recipients of medical
29 assistance only who are covered under a group related to aid to families with dependent children. A
30 recipient who is pregnant is entitled to full medicaid coverage as provided in 53-6-101.

1 (6) The department, under the Montana medicaid program, may provide, if a waiver is not available
 2 from the federal government, medicaid and other assistance mandated by Title XIX of the federal Social
 3 Security Act, 42 U.S.C. 1396, et seq., as may be amended, and not specifically listed in this part to
 4 categories of persons that may be designated by the act for receipt of assistance.

5 (7) (a) Notwithstanding any other provision of this chapter, medical assistance must be provided
 6 to:

7 (i) infants and pregnant women whose family income does not exceed ~~133%~~ ~~185%~~ 133% of the
 8 federal poverty threshold, as provided in 42 U.S.C. 1396a(a)(10)(A)(ii)(IX) and 42 U.S.C. 1396a(l)(2)(A)(i),
 9 and whose family resources do not exceed standards that the department determines reasonable for
 10 purposes of the program; and

11 (ii) subject to appropriations, all children under 19 years of age, other than those referred to in
 12 subsection (7)(a)(i), whose family income does not exceed 185% of the federal poverty threshold and
 13 whose family resources do not exceed standards that the department determines reasonable for purposes
 14 of the program. AND ANY NECESSARY WAIVERS, ALL CHILDREN WHO ARE 14 TO 18 YEARS OF AGE
 15 AND WHOSE FAMILY INCOME DOES NOT EXCEED 100% OF THE FEDERAL POVERTY THRESHOLD.

16 (b) The department shall establish by rule a range of monthly fees to be paid for medicaid benefits
 17 by medicaid recipients designated in subsection (7)(a)(i) whose family income is between 133% and 185%
 18 of the federal poverty threshold and by medicaid recipients designated in subsection (7)(a)(ii) if those
 19 monthly payments are allowed by federal waiver. IF THE FEDERAL GOVERNMENT OFFERS THE STATE
 20 AN OPTION EITHER TO EXPAND MEDICAID ELIGIBILITY OR TO BUY HEALTH INSURANCE, THE
 21 DEPARTMENT MAY BY RULE ESTABLISH ELIGIBILITY REQUIREMENTS AND A RANGE OF MONTHLY FEES
 22 TO BE PAID. The rules adopted by the department must provide for a sliding scale of payments to be made
 23 to the department by each recipient as required by this subsection and as permitted by federal waiver based
 24 upon the number of medicaid recipients per family and the family's income. The department shall work
 25 with local health departments to control the cost of benefits provided pursuant to subsections (7)(a)(i) and
 26 (7)(a)(ii).

27 (8) Subject to appropriations, the department may cooperate with and make grants to a nonprofit
 28 corporation that uses donated funds to provide basic preventive and primary health care medical benefits
 29 to children whose families are ineligible for the Montana medicaid program and who are ineligible for any
 30 other health care coverage, are under 19 years of age, and are enrolled in school if of school age.

1 (9) A Any person described in subsection (7)(a) must be provided continuous eligibility for medical
2 assistance, as authorized in 42 U.S.C. 1396a(e)(5) through a(e)(7).

3 (10) The department may establish resource and income standards of eligibility for mental health
4 services that are more liberal than the resource and income standards of eligibility for physical health
5 services. The standards for eligibility for mental health services may provide for eligibility for households
6 with family income that does not exceed 200% of the federal poverty threshold or that does not exceed
7 a lesser amount determined in the discretion of the department. The department may by rule specify under
8 what circumstances deductions for medical expenses should be used to reduce countable family income
9 in determining eligibility. The department may also adopt rules establishing fees to be charged recipients
10 for services. The fees may vary according to family income."
11

12 NEW SECTION. Section 2. Contingent effectiveness. [Section 1] is only effective if funding for
13 the expansion of medicaid as provided in that section is not appropriated by the 55th legislature.
14

15 NEW SECTION. Section 3. Effective date. Subject to [section 2], [this act] is effective July 1,
16 1997.

17 -END-