

4/10/01 Referred To: Human Res.

MAR 13 2001

Place On Calendar

HOUSE FILE 591

BY COMMITTEE ON HUMAN RESOURCES

(SUCCESSOR TO HF 45)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to eligibility requirements for certain persons  
2 with disabilities under the medical assistance program.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 591

1 Section 1. Section 249A.3, subsection 2, paragraph a, Code  
2 2001, is amended to read as follows:

3 a. As allowed under 42 U.S.C. § 1396a(a)(10)(A)(ii)(XIII),  
4 individuals with disabilities, ~~who are less than sixty-five~~  
5 ~~years of age~~, who are members of families whose income is less  
6 than two hundred fifty percent of the most recently revised  
7 official poverty line published by the federal office of  
8 management and budget for the family, who have earned income  
9 and who are eligible for medical assistance or additional  
10 medical assistance under this section if earnings are  
11 disregarded. As allowed by 42 U.S.C. § 1396a(r)(2), unearned  
12 income shall also be disregarded in determining whether an  
13 individual is eligible for assistance under this paragraph.  
14 For the purposes of determining the amount of an individual's  
15 resources under this paragraph and as allowed by 42 U.S.C. §  
16 1396a(r)(2), a maximum of ten thousand dollars of available  
17 resources shall be disregarded and any additional resources  
18 held in a retirement account, in a medical savings account, or  
19 in any other account approved under rules adopted by the  
20 department shall also be disregarded. Individuals eligible  
21 for assistance under this paragraph, whose individual income  
22 exceeds one hundred fifty percent of the official poverty line  
23 published by the federal office of management and budget for  
24 an individual, shall pay a premium. The amount of the premium  
25 shall be based on a sliding fee schedule adopted by rule of  
26 the department and shall be based on a percentage of the  
27 individual's income. The maximum premium payable by an  
28 individual whose income exceeds one hundred fifty percent of  
29 the official poverty line shall be commensurate with premiums  
30 charged for private group health insurance in this state.  
31 This paragraph shall be implemented no later than March 1,  
32 2000.

33 EXPLANATION

34 This bill provides that individuals with disabilities who  
35 have earned income within certain limitations, and who are of

1 any age, are eligible for discretionary medical assistance.  
2 Currently, eligibility is limited to individuals who are less  
3 than 65 years of age.

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**HOUSE FILE 591  
FISCAL NOTE**

A fiscal note for **House File 591** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 591 amends Section 249a.3, Subsection 2, Paragraph a, Code of Iowa, relating to persons with disabilities, in the Medical Assistance Program. The Bill provides that persons who have earned income within certain limitations, and who are of any age, are eligible to participate in the Medicaid buy-in coverage group referred to as Medicaid for Employed People with Disabilities (MEPD). Currently, the Program provides eligibility to persons who are less than 65 years of age.

**ASSUMPTIONS**

1. This Bill allows the Department of Human Services (DHS) to meet the federal mandate which requires the State to allow persons age 65 and older to participate in MEPD program in order to obtain federal Medicaid funding.
2. The Bill will reduce the number of people on Medically Needy. The income limit on Medically Needy is currently \$483 for a household size of one. The income limit for MEPD is \$1,740 for a household size of one.
3. The resource limit for MEPD is \$12,000. Additional resources are excluded for MEPD including funds for retirement.
4. People in nursing facilities can qualify for this coverage if they meet income and resource limits, and they meet employment criteria.
5. The estimate provides three participation rate options: 35%, 20%, and 10%.

**FISCAL IMPACT**

The fiscal impact of House File 591 for FY 2002 is provided below utilizing three alternative participation rates on an annual basis.

| <u>Participation Rate</u> | <u>Total Medicaid Cost</u> | <u>State Share</u> |
|---------------------------|----------------------------|--------------------|
| 35%                       | \$5.7 million              | \$2.1 million      |
| 20%                       | 3.2 million                | 1.2 million        |
| 10%                       | 1.6 million                | .6 million         |

**SOURCES**

Department of Human Services  
Polk County Health Services, Inc.

(LSB 1310HV, SJL)

FILED MARCH 15, 2001

BY DENNIS PROUTY, FISCAL DIRECTOR