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10/15/03  
Date

2003 SENATE HUMAN SERVICES

SB 2074

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*10/15/03*

Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2074

Senate Human Services Committee

☐ Conference Committee

Hearing Date January 13, 2003

Tape Number	Side A	Side B	Meter #
1		X	524 - 1003
Committee Clerk Signature <i>Donna Kramer</i>			

Minutes:

SENATOR JUDY LEE opened the meeting for SB 2074. This bill is relating to eligibility criteria for medical assistance benefits; to repeal section 5 of Chapter 425 of the 2001 Session Laws; to provide an effective date; and to declare an emergency.

SHEILA PETERSON, Director of the Fiscal Management Division of OMB, testified in favor of SB 2074. (Written testimony) (Meter # 524 - 662)

CURTIS VOLESKY, Director of Medicaid Eligibility for the Department of Human Services, recommended a DO PASS on the bill. (Written testimony) (Meter # 719 - 893)

Public Hearing closed on SB 2074. (Meter # 1003)

Committee Decision:

SENATOR FISCHER made a motion to Do Pass. (Meter # 1218)

SENATOR BROWN seconded the motion

Roll call read. 6 yes - 0 no. No absents. All in favor.

Page 2

Senate Human Services Committee

Bill/Resolution Number SB 2074

Hearing Date January 13, 2003

SENATOR FISCHER will be carrier.

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*10/15/03*

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2074

Senate Human Services Committee

☐ Conference Committee

Hearing Date January 14, 2003

Tape Number	Side A	Side B	Meter #
1	X		11 - 170
Committee Clerk Signature <i>Donna Kramer</i>			

Minutes:

SENATOR JUDY LEE opened the meeting regarding SB 2074 relating to eligibility criteria for medical assistance benefits. She stated we needed to rerefer the bill to Appropriations and we neglected to include that in the motion.

SENATOR FISCHER had made the original motion.

SENATOR BROWN seconded the motion.

SENATOR LEE asked if SENATOR FISCHER would be interested in adding to your motion that it would be referred to Appropriations.

SENATOR FISCHER said he would amend his motion to reflect that.

SENATOR LEE: Senator Brown, that is an okay amendment.

SENATOR BROWN: Yes

SENATOR LEE: Is there any discussion? If not, I will ask the clerk to call the roll.

Five yes 0 no and 1 absent - SENATOR FAIRFIELD

**FISCAL NOTE**  
Requested by Legislative Council  
01/03/2003

Bill/Resolution No.: SB 2074

**1A. State fiscal effect:** Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$4,356,500		\$4,403,891
Expenditures			(\$1,740,280)	\$4,356,500	(\$1,696,727)	\$4,403,891
Appropriations						

**1B. County, city, and school district fiscal effect:** Identify the fiscal effect on the appropriate political subdivision.

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2. Narrative:** Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

This bill would eliminate the sunset date for the removal of the asset test for the children and family coverage groups under the Medicaid program. The Governor's budget includes the general fund savings reflected above by incorporating these changes in the 2003 - 2005 budget.

**3. State fiscal effect detail:** For information shown under state fiscal effect in 1A, please:

**A. Revenues:** Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

Revenue includes federal Medicaid dollars for services provided.

**B. Expenditures:** Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Expenditures are in the Medical Services grants line item (73) and include the increase in traditional Medicaid grants which are then offset by the general fund savings in the DD grants.

**C. Appropriations:** Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

These amounts are included in the Executive Budget. The savings in general funds represent services previously paid with general funds, but which now are partially funded with federal funds. If this bill is not passed, an additional \$1,740,280 in general funds will need to be added to the Department's budget for 2003 - 2005.

Name: Brenda M. Welsz Agency: Human Services

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*Sal Costa Rickford*

10/15/03  
Date

Phone Number: 328-2397

Date Prepared: 01/10/2003

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Operator's Signature

*10/15/03*  
Date

Date: 01-13-02  
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2074

*Done*

Senate Human Services Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass

Motion Made By Sen. Fischer Seconded By Sen. Brown

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee - Chairman	✓				
Senator Richard Brown - V. Chair.	✓				
Senator Robert S. Erbele	✓				
Senator Tom Fischer	✓				
Senator April Fairfield	✓				
Senator Michael Polovitz	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Fischer

If the vote is on an amendment, briefly indicate intent:



**REPORT OF STANDING COMMITTEE (410)**  
January 13, 2003 2:09 p.m.

**Module No: SR-05-0505**  
**Carrier: Fischer**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**  
**SB 2074: Human Services Committee (Sen. J. Lee, Chairman) recommends DO PASS**  
**and BE REREFERRED to the Appropriations Committee (6 YEAS, 0 NAYS,**  
**0 ABSENT AND NOT VOTING). SB 2074 was rereferred to the Appropriations**  
**Committee.**

Date: 01-14-03  
Roll Call Vote #: 2

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2074

Senate Human Services Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken

Referred to Appropriations.

Motion Made By \_\_\_\_\_

Seconded By \_\_\_\_\_

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee - Chairman	✓				
Senator Richard Brown - V. Chair.	✓				
Senator Robert S. Erbele	✓				
Senator Tom Fischer	✓				
Senator April Fairfield	*				
Senator Michael Polovitz	✓				

Total (Yes) 5 No 0

Absent \* Senator Fairfield was late.

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

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10/15/03  
Date

2003 SENATE APPROPRIATIONS

SB 2074

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Ja Costa Rickford  
Operator's Signature

10/15/03  
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2074

Senate Appropriations Committee

☐ Conference Committee

Hearing Date January 20, 2003

Tape Number	Side A	Side B	Meter #
#2		X	1240-2360
Committee Clerk Signature <i>Jan Hendrickson</i>			

Minutes:

Senator Holmberg, chairman stated that SB 2074 & SB 2089 would be included in the Human Services subcommittee. Senator Holmberg, chairman opened the hearing on SB 2074.

Curtis Volesky, Director of Medicaid Eligibility for the Department of Human Services (#1338)

(Exhibit #1--written testimony). The law currently allows Medicaid eligibility to be determined for children and family coverage groups and pregnant women without consideration of assets.

The effect of this bill is to remove a sunset of June 30, 2003 on this provision. This provision does allow some low-income families with assets above the normal Medicaid limits to qualify for assistance, the primary benefit is that it allows previously ineligible developmentally disabled children to become eligible for Medicaid. Medicaid eligibility allows access to federal title XIX funds. These are children whose costs for care have previously been covered with only general fund dollars. Additional advantages of no asset test for these coverage groups are simplified application and redetermination processes for applicants and recipients. This provision went into

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Senate Appropriations Committee

Bill/Resolution Number SB 2074

Hearing Date January 20, 2003

effect January 1, 2002 and has proven to be a cost savings to the department. As shown in the fiscal note for this bill, during the 2003-95 biennium, the cost of Medicaid coverage of the additional developmentally disabled children. This leaves the department with a net savings of \$1,740,280. These savings have been included in the executive budget. If the bill is not passed, the department's budget will be short \$1,740,280 in general funds. He requested that the committee pass the bill.

Questions: (#1504)

Senator Kilzer: What is the match from the federal government:

Mr. Volesky: The match is 68.36 cents on the dollar

Senator Mathern: Would like to see a schedule that gives the Medicaid eligibility levels based on income. Mr. Volesky: There are a number of eligibility levels within Medicaid. He would get a copy of that information to the committee. Senator Mathern: Isn't possible that we could actually even net more money if we increased that also? To bring in some other families that we are paying in general funds for some other reason. Just like in this case, that brought in the families with developmental disabled family members into a federally shared program. Maybe there are some other groups that we could be bringing into our Medicaid program that are now getting help from general funds. Mr. Volesky: He was not familiar with the other groups using general funds. Senator Christmann: He didn't understand how we pay for these programs and it brings in more federal money, but if we don't pay for them, how does it cost the general fund? Mr. Volesky: (#1820) Previously, developmentally disabled children were covered with 100% federal funds. By allowing them to come on to Medicaid without having to look at their parents assets, we were able to access the federal funds through Title 19. So instead of spending 100%

Page 3  
Senate Appropriations Committee  
Bill/Resolution Number SB 2074  
Hearing Date January 20, 2003

state funds we are now only spending approximately 32% state funds, so it was a large savings for that group of individuals. Senator Christmann continued: Is that based on actual expenditures of when they have doctor bills? Mr. Volesky responded that, that was correct. Senator Bowman:(#1926) The only difference between them being eligible now under the Medicaid dollars vs under general fund dollars is that the fact of the ASSET test? Mr. Volesky responded that, that was correct. Senator Bowman continued that by passing the sunset on that we are going to increase the amount eligible for more Medicaid dollars? Mr. Volesky responded that he didn't think they would automatically increase the individuals that are eligible. This provision came in effect January 1, 2002, since then some families have come on Medicaid, but that level has basically stabilized. He didn't think they would see an increase cost over what they currently are. Senator Kilzer: How sure are we that the Federal government will hold up its end of the deal by continuing at 68%, and continuing the program under Title 19? Mr. Volesky responded that they could only assume that they will continue the federal funding, we don't have anything that states they will not. David Zenter from Medical Services of the Department of Human Services stated that Medicaid has been in existence since 1965 and didn't assume that the Federal government would pull out of these programs. Funds will be less than before, but that was taken into consideration when the budget was put together. There is no guarantee that federal programs will continue, however the Medicaid program is getting to be as big or bigger than the Medicare program. Senator Mathern: Why the effective date of July 1st, in light of being an Emergency measure? He wondered why if this was an emergency measure it wouldn't go into effect as soon as the Governor signed it. Mr. Zentner responded (#2260). He understood that all bills take effect August 1st if don't have an emergency clause in. Senator Mathern continued that he

LaCosta Rickford  
Operator's Signature

10/15/03  
Date

Page 4

Senate Appropriations Committee

Bill/Resolution Number SB 2074

Hearing Date January 20, 2003

wondered by August 1st. Answer: He thought it was to maintain the current budget, then to look at the new period of time based on this bill.

Hearing was closed on SB 2074.

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Date

*10/15/03*

SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2074 Votes

Senate Appropriations Committee

☐ Conference Committee

Hearing Date Feb. 19, 2003

Tape Number	Side A	Side B	Meter #
#2	x		2,183- 2758
Committee Clerk Signature <i>Jan Hendricks</i>			

Minutes:

SB 2074, criteria for medical assistance.

**Senator Holmberg** stated that the Human Services Subcommittee were suppose to look at this bill. **Senator Mathern** stated that he didn't know if the subcommittee has this on their list, but there was a question raised about taking out section 3 on page 2. **Senator Holmberg** stated this bill saves \$1.7 million of general funds and it is part of the budget. **Senator Andrist** wanted to know if this was one of those bills that saved state money and captured federal money.

**Senator Tallackson** moved for a **DO PASS** , seconded by **Senator Robinson**. **Senator Mathern** stated that he felt the committee should take out Section 3 on page 2, lines 25 & 26, in one place we are calling it an emergency and in another we are calling it coming in to effect on July 1st. He felt that line 25 should be eliminated, the problem would be eliminated and it would give the Dept. the ability to do this immediately. Basically this is bringing in more federal dollars, the sooner we can do this, the better. **Senator Holmberg** asked **Stephanie** (from



Page 2

Senate Appropriations Committee

Bill/Resolution Number SB 2074 - Votes

Hearing Date Feb. 17, 2003

**Legislative Council**) when the bill would become effective, July 1st if an emergency otherwise

August 1st. **Stephanie** stated she didn't know. **Celeste (OMB)** stated that this was a bill that would be effective otherwise August 1st, the emergency was declared so it would become effective July 1st. **Senator Krauter** stated that he had asked **Dave Zinter** on this and he had said that by the time the rules going, it may be a month or two and a month or two is worth a lot this biennium.

**Motion by Senator Mathern to further amend SB 2074, Section 3, page 2, to remove line 25, second by Senator Robinson. Voice vote on the amendment: Motion carried.**

**Senator Holmberg** then stated that they had before them SB 2074 before them as amended.

Question was called.

Roll call vote was called for a **DO PASS** as **AMENDED**. Roll call vote attached to minutes.

**Total: 13 yes, 0 no, 1 absent and not voting. Motion carried. Senator Mathern will carry the amendments. Bill will be carried by Human Services, Senator Fischer.**

38238.0101  
Title.0200

Prepared by the Legislative Council staff for  
Senate Appropriations  
February 17, 2003

*JoB*  
2-18-03

PROPOSED AMENDMENTS TO SENATE BILL NO. 2074

Page 1, line 3, remove "to provide an effective date;"

Page 2, remove line 25

Renumber accordingly

Page No. 1

38238.0101

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*10/15/03*  
Date

Date: 2/17/03  
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2074

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass / as Amended.

Motion Made By Tallackson Seconded By Robinson

OK ← Mathern Luther amend. Robinson - 2nd

Senators	Yes	No	Senators	Yes	No
Senator Holmberg, Chairman	✓				
Senator Bowman, Vice Chair	✓				
Senator Grindberg, Vice Chair					
Senator Andrist	✓				
Senator Christmann	✓				
Senator Kilzer	✓				
Senator Krauter	✓				
Senator Kringstad	✓				
Senator Lindaas	✓				
Senator Mathern	✓				
Senator Robinson	✓				
Senator Schobinger	✓				
Senator Tallackson	✓				
Senator Thane	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Human Services - Mathern - Amendment

If the vote is on an amendment, briefly indicate intent:

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10/15/03  
Date

REPORT OF STANDING COMMITTEE (410)  
February 18, 2003 10:41 a.m.

Module No: SR-31-3062  
Carrier: Mathern  
Insert LC: 38238.0101 Title: .0200

REPORT OF STANDING COMMITTEE  
SB 2074: Appropriations Committee (Sen. Holmberg, Chairman) recommends  
AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS**  
(13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2074 was placed on the Sixth  
order on the calendar.

Page 1, line 3, remove "to provide an effective date;"

Page 2, remove line 25

Renumber accordingly

(2) DESK, (3) COMM

Page No. 1

SR-31-3062

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*LaCosta Rickford*

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*10/15/03*

2003 HOUSE HUMAN SERVICES

SB 2074

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*La Costa Rickford*

Date

*10/15/03*

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2074

House Human Services Committee

☐ Conference Committee

Hearing Date March 10, 2003

Tape Number	Side A	Side B	Meter #
1	x		1.3 - 12.8
Committee Clerk Signature <i>Sharon Benjawan</i>			

Minutes:

Curtis Volesky, Director of Medicaid Eligibility for Dept. of Human Services appeared in support with written testimony.

Rep. Sandvig: How were DD people covered before? Answer: General Funds.

Rep. Price: Do we have information as to how many children move between the 2 plans? and would like more clarification on the fiscal note.

Answer: Will get that information.

No opposition. Closed the hearing.

Rep. Potter: question on Healthy Steps Family. Answer by Rep. Price: Prior to this legislation last session, there was a difference between eligibility, for Medicaid you were eligibility both by assets and income, you had to be under that level to reach eligibility. For CHIPS it was income only, didn't matter what the assets were. So once we removed the asset test for the children only on Medicaid and they might have already qualified for Medicaid based on income but they were

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Operator's Signature

10/15/03  
Date

Page 2

House Human Services Committee

Bill/Resolution Number SB 2074

Hearing Date March 10, 2003

kicked out because of assets. Those children that moved from CHIPS down to the Medicaid line.

We actually get a better federal share on the CHIPS program but in order to try to cover more kids, we felt people weren't applying because of that huge form to sign their child up for Medicaid.

Rep. Price: question on the fiscal note and Mr. Volesky's testimony.

Brenda Weisz: When we do the fiscal note, we have to take all the programs and collapse them into one. How that works out is that there are children under \_\_\_\_\_ that's if the asset test were to remain in place, we would not be able to tap Medicaid funding for them. So 2.5 is what is actually being save on the general fund side, for the DD program, because they are shipping over to Medicaid then and instead it all being an all State or all general funded service for them, it would actually become more Medicaid services. Medicaid at the FMAP which is about 70% a little bit lower now, picks up a portion of the cost and that's where the savings (2.5 savings against the \$800,000 cost on the Medicaid side) the State benefits to the tune of 1.7 million in general fund. That's where that comes from. The reason your other funds go up, is because we're bringing in Medicaid dollars which were not brought in previously.

Rep. Price: How many adults did we end up accessing under this program because of pregnant women and what your numbers changes that shows when that move from CHIPS to Medicaid.

Answer: only 8 children became Medicaid eligible, adults I would have to get.

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2074

House Human Services Committee

☐ Conference Committee

Hearing Date March 11, 2003

Tape Number	Side A	Side B	Meter #
2	x		15.2 - 20.7
Committee Clerk Signature <i>Sharon Renshaw</i>			

Minutes: Committee work.

The reason we got some income on this is because of the switch of the DD children to Medicaid, if we don't put sunset repeal it goes back to 16 pages for kids to apply.

Rep. Weisz: made a motion for DO PASS and Re-refer to Appropriations second by Rep.

Porter.

Rep. Pollert: If the savings net of 4.3 million and its just the 1.74 million? Yes.

VOTE: 13 - 0 - 0

Rep. Price will carry the bill.



Date: March 11, 2003  
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB 2074

House HUMAN SERVICES Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DP & refer to Approps

Motion Made By Rep Weisz Seconded By Rep Porter

Representatives	Yes	No	Representatives	Yes	No
Rep. Clara Sue Price - Chair	✓		Rep. Sally Sandvig	✓	
Rep. Bill Devlin, Vice-Chair	✓		Rep. Bill Amerman	✓	
Rep. Robin Weisz	✓		Rep. Carol Niemeier	✓	
Rep. Vonnie Pietsch	✓		Rep. Louise Potter	✓	
Rep. Gerald Uglem	✓				
Rep. Chet Pollert	✓				
Rep. Todd Porter	✓				
Rep. Gary Kreidt	✓				
Rep. Alon Wieland	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Rep Price

If the vote is on an amendment, briefly indicate intent:

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La Costa Rickford 10/15/03  
Operator's Signature Date

**REPORT OF STANDING COMMITTEE (410)**  
March 11, 2003 4:21 p.m.

Module No: HR-43-4510  
Carrier: Price  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**  
SB 2074, as engrossed: Human Services Committee (Rep. Price, Chairman) recommends **DO PASS** and **BE REREFERRED** to the Appropriations Committee (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2074 was placed on the Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-43-4510

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Date

*10/15/03*

2003 HOUSE APPROPRIATIONS

SB 2074

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*La Costa Rickford*

Date

*10/15/03*

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2074

House Appropriations Committee

☐ Conference Committee

Hearing Date 03-19-03

Tape Number	Side A	Side B	Meter #
2	X		20 - 25.3
Committee Clerk Signature <i>Chris J. Nelson</i>			

Minutes:

**Chairman Svedjan** Opened SB 2074 for discussion. A quorum was present.

**Rep. Clara Sue Price** Introduced the bill. This bill is in front of you because last time we removed the sunset for the asset test for children on Medicaid. We tried it for two years.

Changing the form from 18 to 4 pages saved us money. There are 8 DD children that moved to Medicaid and are in ICFMR's allowing us to access more federal funds. We recommend that you continue the removal of the asset test because we think it is the right thing to do, not just because it accesses more federal funds.

**Rep. Delzer** If this bill passes the way it is, the amounts are included in the Federal Budget?

**Rep. Price** Yes.

**Rep. Delzer** One of the arguments when we did this two years ago was that we should have left that asset test on because the children actually stayed on CHIPS because it was a higher federal

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*LaCosta Rickford*  
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*10/15/03*  
Date

Page 2

House Appropriations Committee

Bill/Resolution Number SB 2074

Hearing Date 03-19-03

match. CHIPS matches at 80% while FMAP is 67-68%. In testimony from the department in committee we found out that those children in that range we can still match at the CHIP rate.

**Chairman Svedjan** So you are saying that is a none issue.

**Rep. Carlson** I move a Do Pass. 2nd. Motion Carries 17-0-6. **Rep. Price** will carry this bill on the floor.

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*10/15/03*

REPORT OF STANDING COMMITTEE (410)  
March 19, 2003 2:42 p.m.

Module No: HR-49-5236  
Carrier: Price  
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2074: Appropriations Committee (Rep. Svedjan, Chairman) recommends **DO PASS**  
(17 YEAS, 0 NAYS, 6 ABSENT AND NOT VOTING). SB 2074 was placed on the  
Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-49-5236

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2003 TESTIMONY

SB 2074

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*La Costa Rickford*

*10/15/03*

Date

**TESTIMONY BEFORE THE  
SENATE HUMAN SERVICES COMMITTEE  
REGARDING SENATE BILL 2074  
JANUARY 13, 2003**

Chairman Lee, members of the committee, I am Curtis Volesky, Director of Medicaid Eligibility for the Department of Human Services. I am here in support of SB 2074. The effect of this bill is to remove the sunset of June 30, 2003. The provision currently allows Medicaid eligibility to be determined for children and family coverage groups and pregnant women without consideration of assets.

Over the past eleven months we have monitored the number of individuals with excess assets who became eligible for Medicaid. The children in these families would qualify for coverage through the Healthy Steps program so there is no real affect on them. The disregard of assets does allow additional caretakers of children to be eligible for Medicaid. Such caretakers, however, are typically one of the least costly groups covered by Medicaid. The primary benefit of this provision is that it allows previously ineligible developmentally disabled children to become eligible for Medicaid. These are children whose costs for care have previously been covered with only general fund dollars.

As shown in the fiscal note for this bill, during the 03 - 05 biennium, Medicaid coverage of the additional caretakers will cost the Medicaid program approximately \$838,000 in general funds. This amount, however, is offset by access to title XIX funds for the developmentally disabled children. This leaves the department with a net savings of \$1,740,000.



Additional advantages of no asset test for these coverage groups are simplified application and redetermination processes for applicants and recipients.

For these reasons, the department respectfully recommends a DO PASS on this bill. I will be glad to answer any questions regarding my testimony. Thank you.

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10/15/03  
Date

Testimony of SB 2074  
Senate Human Services Committee  
January 13, 2003

Good morning Madam Chairman and members of the Senate Human Services Committee.

I'm Sheila Peterson, the Director of the Fiscal Management Division of OMB.

Two years ago, legislation was passed that eliminated the asset test for children and families and pregnant women groups. However, there was a sunset put on that legislation.

SB 2074 proposes removing the sunset thereby continuing the asset test elimination for the future.

The fiscal note is a positive \$1.7M. Although the state will incur expenditures of \$838,000 for adults who would otherwise have been ineligible due to excess assets, that is more than made up in the DD program because more children are eligible for the program. In the past the cost of these children were paid using 100% state general funds. They can now be claimed at the federal match rate saving \$2.6M in state dollars.

The overall savings to the Department, as reflected in the governor's budget, is \$1.7M.

Madam Chairman, I'd be happy to answer any questions.

Exhibit #1

TESTIMONY BEFORE THE  
SENATE APPROPRIATIONS COMMITTEE  
REGARDING SENATE BILL 2074  
JANUARY 20, 2003

Chairman Holmberg, members of the committee, I am Curtis Volesky, Director of Medicaid Eligibility for the Department of Human Services. The law currently allows Medicaid eligibility to be determined for children and family coverage groups and pregnant women without consideration of assets. The effect of this bill is to remove a sunset of June 30, 2003 on this provision.

While this provision does allow some low-income families with assets above the normal Medicaid limits to qualify for assistance, the primary benefit is that it allows previously ineligible developmentally disabled children to become eligible for Medicaid. Medicaid eligibility allows access to federal title XIX funds. These are children whose costs for care have previously been covered with only general fund dollars. Additional advantages of no asset test for these coverage groups are simplified application and redetermination processes for applicants and recipients.

This provision went into effect January 1, 2002, and has proven to be a cost savings to the department. As shown in the fiscal note for this bill, during the 2003 - 2005 biennium, the cost of Medicaid coverage of the additional low-income families is offset by access to title XIX funds for the developmentally disabled children. This leaves the department with a net savings of \$1,740,280. These savings have been included in the executive budget. If the bill is not passed, the department's budget will be short \$1,740,280 in general funds.

For these reasons, the department respectfully recommends a DO PASS on this bill. I will be glad to answer any questions regarding my testimony. Thank you.

**TESTIMONY BEFORE THE  
HOUSE HUMAN SERVICES COMMITTEE  
REGARDING ENGROSSED SENATE BILL NO. 2074  
March 10, 2003**

Chairman Price, members of the committee, I am Curtis Volesky, Director of Medicaid Eligibility for the Department of Human Services. I am here in support of Engrossed Senate Bill No. 2074. The provision currently allows Medicaid eligibility to be determined for children and family coverage groups and pregnant women without consideration of assets.

We have monitored the number of individuals with excess assets who became eligible for Medicaid. The children in these families would qualify for coverage through the Healthy Steps program, so there is no real affect on them. The disregard of assets does allow additional caretakers of children to be eligible for Medicaid. Such caretakers, however, are typically one of the least costly groups covered by Medicaid. The primary benefit of this provision is that it allows previously ineligible developmentally disabled children to become eligible for Medicaid. These are children whose costs for care have previously been covered with only general fund dollars.

As shown in the fiscal note for this bill, during the '03-'05 biennium, Medicaid coverage of the additional caretakers will cost the Medicaid program approximately \$838,000 in general funds. This amount, however, is offset by access to Title XIX funds for the developmentally disabled children. This leaves the department with a net savings of \$1,740,000.

Additional advantages of no asset tests for these coverage groups are simplified application and redetermination processes for applicants and recipients.

For these reasons, the department respectfully recommends a DO PASS on this bill. I will be glad to answer any questions regarding my testimony. Thank you.

**Bill: SB2074**

**Fiscal Note Clarification**

To establish the fiscal note, the department estimated a monthly average of approximately 363 caretakers and children over age 19, with excess assets, would be eligible for Medicaid during the 03-05 biennium. (Based on numbers eligible during the first 11 months the provision was in effect.)

363 individuals at an approximate cost of \$300 per month would cost \$2,616,220.

The general fund share is \$838,237 (FMAP 32.04%).

By shifting DD funded children (100% general funds) to Medicaid, the following general fund savings were identified:

	Children's ICF-MR	\$1,093,260
	Family Support	818,311
	<u>Infant Development</u>	<u>670,946</u>
	Total	\$2,578,517
Net Savings:	DD Savings	\$2,578,517
	<u>Cost of new eligibles</u>	<u>838,237</u>
	Net Savings	\$1,740,280
Federal Funds:	DD costs shifted to Medicaid	\$2,578,517
	Cost of new eligibles	1,777,983
	<u>(\$2,616,220 - \$838,237)</u>	<u>\$4,356,500</u>

Figures inflated by 2.3% for 05-07 biennium.