

April 1998

PROPOSED CHANGES REGARDING HOME AND COMMUNITY-BASED SERVICES AND GUARDIAN AND CONSERVATOR FEES

In a March 3, 1998, memorandum, the Department of Human Services informed the county social service boards that the \$65 plus one-half earned income disregard and the \$20 disregard would no longer be allowed for noninstitutionalized developmentally disabled, elderly, and disabled individuals receiving home and community-based services. The change was to be effective with the April benefits. The proposed change was rescinded in an April 9, 1998, memorandum from the Department of Human Services.

Under the existing rules, an individual receiving monthly Social Security benefits of \$500 and earning \$200 would be required to pay \$143 toward his or her medical needs and would be allowed to keep the remaining \$557. The \$557 is comprised of the following: \$405 for meeting the individual's basic needs, a \$20 disregard, a \$65 earned income disregard, and \$67 of the individual's income (one-half of the difference of the \$200 less the \$65 disregard). Under the proposed change, the individual would only be allowed the \$405 for meeting the individual's basic needs. The estimated biennial fiscal impact of this change would have been a positive \$1 million to the state's budget. Of the \$1 million, about \$300,000 to \$400,000 would have been state general fund dollars. The department indicated that the federal regulation which caused the department to propose the change only applies to optional categorically needy individuals and that since the North Dakota Medicaid program only covers home and community-based

care individuals through the categorically needy or medically needy eligibility groups, this change was not necessary. As mentioned previously, the proposed change was rescinded in an April 9, 1998, Department of Human Services memorandum.

In addition, the March 3, 1998, memorandum stated that guardian and conservator fees would no longer be recognized as income disregards for recipients residing in nursing facilities, the State Hospital, Anne Carlsen Center for Children, Rivers Edge, ICF/MR facilities, and people receiving swing bed care. The memorandum stated that federal regulations do not allow for the recognition of guardian and conservator fees for individuals residing in long-term care living arrangements and that previously the department had been incorrectly allowing income disregards for guardian and conservator fees for these groups of individuals. The proposed change was rescinded until it can be made through the administrative rules process.

The proposed change would have changed the current system of allowing for no more than five percent of an individual's income to go toward guardian and conservator fees to no longer allowing an income disregard for guardian and conservator fees for institutionalized individuals. The individuals would be expected to pay the guardian and conservator fees from the individual's own funds. The estimated biennial fiscal impact of this change would be a positive \$100,000 of state funds.