

**Representative Trisha S. Beck** proposes the following substitute bill:

**RESTRUCTURING MEDICAID SPEND DOWN**

2002 GENERAL SESSION

STATE OF UTAH

**Sponsor: Trisha S. Beck**

**This act modifies the Medicaid spend down requirements. The act amends the Medical Assistance Act. The act defines terms and directs the Health Department to use 100% of the federal poverty level as the income standard when determining if the aged, blind, or disabled have spent down enough excess income to be eligible for Medicaid benefits.**

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

**26-18-3**, as last amended by Chapter 316, Laws of Utah 2000

*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **26-18-3** is amended to read:

**26-18-3. Administration of Medicaid program by department -- Disciplinary measures and sanctions -- Funds collected.**

(1) The department shall be the single state agency responsible for the administration of the Medicaid program in connection with the United States Department of Health and Human Services pursuant to Title XIX of the Social Security Act.

(2) The department shall develop implementing policy in conformity with this chapter, the requirements of Title XIX, and applicable federal regulations.

(3) The department may, in its discretion, contract with the Department of Human Services or other qualified agencies for services in connection with the administration of the Medicaid program, including but not limited to the determination of the eligibility of individuals for the program, recovery of overpayments, and enforcement of fraud and abuse laws, consistent with Section 26-20-13, to the extent permitted by law and quality control services.



26 (4) The department shall provide, by rule, disciplinary measures and sanctions for  
27 Medicaid providers who fail to comply with the rules and procedures of the program, provided that  
28 sanctions imposed administratively may not extend beyond:

- 29 (a) termination from the program;
- 30 (b) recovery of claim reimbursements incorrectly paid; and
- 31 (c) those specified in Section 1919 of Title XIX of the federal Social Security Act.

32 (5) Funds collected as a result of a sanction imposed under Section 1919 of Title XIX of  
33 the federal Social Security Act shall be deposited in the General Fund as nonlapsing dedicated  
34 credits to be used by the division in accordance with the requirements of that section.

35 (6) (a) In determining whether an applicant or recipient is eligible for a service or benefit  
36 under this part or Chapter 40, Utah Children's Health Insurance [Program] Act, the department  
37 shall, if Subsection (6)(b) is satisfied, exclude from consideration one passenger vehicle designated  
38 by the applicant or recipient.

39 (b) Before Subsection (6)(a) may be applied:

40 (i) the federal government must:

41 (A) determine that Subsection (6)(a) may be implemented within the state's existing public  
42 assistance-related waivers as of January 1, 1999;

43 (B) extend a waiver to the state permitting the implementation of Subsection (6)(a); or

44 (C) determine that the state's waivers that permit dual eligibility determinations for cash  
45 assistance and Medicaid are no longer valid; and

46 (ii) the department must determine that Subsection (6)(a) can be implemented within  
47 existing funding.

48 (7) (a) For purposes of this Subsection (7):

49 (i) "aged, blind, or disabled" shall be defined by administrative rule; and

50 (ii) "spend down" means an amount of income in excess of the allowable income standard  
51 that must be paid in cash to the department or incurred through the medical services not paid by  
52 Medicaid.

53 (b) In determining whether an applicant or recipient who is aged, blind, or disabled is  
54 eligible for a service or benefit under this chapter as a result of a spend down, the department shall  
55 use 100% of the federal poverty level as the income standard for the spend down.