

Representative Rebecca D. Lockhart proposes the following substitute bill:

1 **ELIMINATE SPEND DOWN PROVISION FOR**
2 **MEDICAID**

3 2003 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Rebecca D. Lockhart**

6 **This act modifies the Medical Assistance Act. The act restores Medicaid eligibility to an**
7 **aged, blind, or disabled person below 100% of the federal poverty level. The act defines**
8 **terms and directs the Health Department to use 100% of the federal poverty level as the**
9 **income standard when determining if the aged, blind, or disabled have spent down**
10 **enough excess income to be eligible for Medicaid benefits.**

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

12 AMENDS:

13 **26-18-3**, as last amended by Chapter 316, Laws of Utah 2000

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

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

16 **26-18-3. Administration of Medicaid program by department -- Disciplinary**
17 **measures and sanctions -- Funds collected.**

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

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

23 (3) The department may, in its discretion, contract with the Department of Human
24 Services or other qualified agencies for services in connection with the administration of the
25 Medicaid program, including but not limited to the determination of the eligibility of



26 individuals for the program, recovery of overpayments, and enforcement of fraud and abuse
27 laws, consistent with Section 26-20-13, to the extent permitted by law and quality control
28 services.

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

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

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

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

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

43 (i) the federal government must:

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

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

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

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

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

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

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

56 (b) In determining whether an applicant or recipient who is aged, blind, or disabled is

57 eligible for a service or benefit under this chapter, the department shall use 100% of the federal
58 poverty level as:

59 (i) the allowable income standard for eligibility for services or benefits; and

60 (ii) the allowable income standard for eligibility as a result of spend down.