

Senator Ed Mayne proposes the following substitute bill:

PORTABILITY OF MEDICAL ASSISTANCE

FUNDS

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ed Mayne

House Sponsor: Eric K. Hutchings

LONG TITLE

General Description:

This bill amends the Medical Assistance Act to require portability of funds, if necessary, to allow an eligible aged person to receive home or community-based services instead of being placed in, or remaining in, a nursing home.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires the Department of Health to provide home or community-based services to a Medicaid eligible aged person who is a resident of Utah and who qualifies to be placed in, or remain in, a nursing home, if the person applies to receive the services and the services can be provided at a cost to the state that is equal to, or less than, the cost to the state of maintaining the person in a nursing home;
- ▶ provides for case management in determining the home or community-based services necessary to care for an aged person outside of a nursing home;
- ▶ provides that the Department of Health may contract with the Department of Human Services or other agencies to make the determinations or provide the services described in this bill;



26 ▶ provides for the portability of funds, that would have been used to place or maintain
27 a person in a nursing home, to fund the home or community-based services for that
28 person if the waiver funds designated for that purpose are inadequate.

29 **Monies Appropriated in this Bill:**

30 None

31 **Other Special Clauses:**

32 None

33 **Utah Code Sections Affected:**

34 ENACTS:

35 **26-18-601**, Utah Code Annotated 1953

36 **26-18-602**, Utah Code Annotated 1953

37 **26-18-603**, Utah Code Annotated 1953

38 **26-18-604**, Utah Code Annotated 1953



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

41 Section 1. Section **26-18-601** is enacted to read:

42 **Part 6. Portability of Medical Assistance Funds**

43 **26-18-601. Title.**

44 This part is known as "Portability of Medical Assistance Funds."

45 Section 2. Section **26-18-602** is enacted to read:

46 **26-18-602. Definitions.**

47 As used in this part:

48 (1) "Aged" means a person 65 years of age or older.

49 (2) "Medical assistance" means financial assistance or other services paid for under the
50 state plan for Medicaid under Title XIX of the Social Security Act.

51 Section 3. Section **26-18-603** is enacted to read:

52 **26-18-603. Requirement to provide home or community-based services --**

53 **Authority to contract.**

54 (1) The department shall provide home or community-based services to an aged person
55 if:

56 (a) the aged person:

- 57 (i) is a resident of this state;
- 58 (ii) qualifies for medical assistance to fund the aged person's placement or maintenance
- 59 in a nursing home;
- 60 (iii) applies for home or community-based services in order to avoid being placed in, or
- 61 remaining in, a nursing home; and
- 62 (iv) may be safely and adequately cared for outside of a nursing home; and
- 63 (b) the cost to the state of providing the home or community-based services described
- 64 in this Subsection (1) is less than, or equal to, the cost to the state of providing care to the
- 65 person in a nursing home.
- 66 (2) If a person qualifies under Subsection (1) for, and chooses to receive, home or
- 67 community-based services, the department shall, on an ongoing basis:
- 68 (a) determine the extent of the resources already available to the person;
- 69 (b) determine the home and community-based services needed to safely and adequately
- 70 care for the person outside of a nursing home; and
- 71 (c) arrange for or provide the services described in Subsection (2)(b).
- 72 (3) The department may contract with the Department of Human Services or other
- 73 qualified agencies to make the determinations, or provide the services, described in this
- 74 section.

75 Section 4. Section **26-18-604** is enacted to read:

76 **26-18-604. Funding for home or community-based services.**

- 77 (1) Except as provided in Subsection (2), the costs of the home or community-based
- 78 services described in Section 26-18-603 shall be paid for with the applicable Medicaid
- 79 waiver funds designated for that purpose.
- 80 (2) If the funds described in Subsection (1) are not adequate to pay the costs of the
- 81 home and community-based services described in Section 26-18-603:
- 82 (a) the costs shall be paid from the funds that would have been used to pay the costs of
- 83 maintaining the person in a nursing home; and
- 84 (b) if the services are provided by, or through a contract with, the Department of
- 85 Human Services or another agency, the department shall execute a revenue transfer to the
- 86 Department of Human Services or the other agency in order to comply with Subsection (2)(a).
- 87 (3) A revenue transfer described in Subsection (2)(b) is exempt from the requirements

88 of Title 63, Chapter 38, Budgetary Procedures Act.

S.B. 61 1st Sub. (Green) - Portability of Medical Assistance Funds

Fiscal Note

2007 General Session

State of Utah

State Impact

Enactment of this bill will require ongoing appropriations of \$6,430,500 from the General Fund, which will be matched with \$13,017,000 Federal Funds, beginning in FY 2008. The Department of Human Services will receive \$1,683,000 (\$1,325,000 General Fund) of this appropriation, while the Department of Health will be allocated \$17,764,500 (\$5,105,500 General Fund) to implement the provisions of the bill.

Based on current federal and state statute and policy, the long-term fiscal impact of this legislation will be savings and cost avoidance for Utah's Medicaid and long-term care services.

	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2007</u> <u>Revenue</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>
General Fund	\$0	\$6,430,500	\$6,430,500	\$0	\$0	\$0
Federal Funds	\$0	\$13,017,000	\$13,017,000	\$0	\$13,017,000	\$13,017,000
Total	\$0	\$19,447,500	\$19,447,500	\$0	\$13,017,000	\$13,017,000

Individual, Business and/or Local Impact

Enactment of this bill will provide financial assistance to qualified Medicaid clients to receive selected services. There could be both increased costs and federal revenue to local governments and increased revenue to local providers that supply community and home-based services for the elderly.