

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1714-04  
Bill No.: SB 539  
Subject: Elderly; Insurance-General; Medicaid; Nursing and Boarding Homes; Social Services Department  
Type: Original  
Date: March 7, 2005

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	Less than \$166,050,459	Less than \$115,839,638	Less than \$87,245,303
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>Less than \$166,050,459</b>	<b>Less than \$115,839,638</b>	<b>Less than \$87,245,303</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Missouri Senior Rx Fund	\$20,000,000	\$110,000,000 to \$115,000,000	\$110,000,000 to \$115,000,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$20,000,000</b>	<b>\$110,000,000 to \$115,000,000</b>	<b>\$110,000,000 to \$115,000,000</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 16 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
Federal*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Savings and losses of approximately \$300,000,000 would net to \$0

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **FISCAL ANALYSIS**

#### ASSUMPTION

Officials from the **Missouri House of Representatives**, the **Missouri Senate**, the **Department of Economic Development**, the **Office of Administration**, and the **Department of Elementary and Secondary Education** assume this proposal would not fiscally impact their agencies.

Officials from the **State Treasurer's Office (STO)** assume if the STO must administer the Missouri Senior Rx Fund, the STO would need one FTE. **Oversight** assumes the Department of Health will administer the fund.

Officials from the **Office of the Secretary of State (SOS)** state this proposal modifies provisions in various health care and social services programs. This proposal may result in the Department of Health and Senior Services and the Department of Social Services promulgating rules to implement the legislation. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Health and Senior Services could require as many as 28 pages in the Code of State Regulations. For any given rule, roughly one-half again as many pages are published in the Missouri Register as are published in the Code because cost statements, fiscal

ASSUMPTION (continued)

notes and notices are not published in the Code. The estimated cost of a page in the Missouri Register is \$23.00. The estimated cost of a page in the Code of State Regulations is \$27.00. The actual costs could be more or less than the numbers given. The fiscal impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. The SOS estimates the cost of this legislation to be \$1,722 in FY 06.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of Attorney General** (AGO) assume this proposal makes changes to provisions to various health care and social service programs. AGO states because it represents the departments responsible for administering these programs, the AGO assumes this proposal will create a fiscal impact.

This proposal requires the AGO to file petitions for temporary care and protection of physically disabled persons receiving personal care assistance services upon referral by Department of Health and Senior Services (Section 192.1012.7). AGO assumes that it would need one Assistant Attorney General I to assist in the preparation and hearings associated with this provision.

AGO states this proposal also makes changes to eligibility requirements for both personal care assistance recipients (Section 192.1024) and Medicaid recipients (Section 208.147 et seq.). AGO assumes that increasing the number and process for eligibility reviews, changing the asset limits and limiting the eligibility of these benefits would result in an increased number of appeals. AGO assumes because it represents the Department of Social Services in defending agency decisions, it may need additional attorneys and support staff based on the number of appeals that might result. AGO assumes that it would need three Assistant Attorney General I's per 500 appeals, and one support staff per Assistant Attorney General to assist in the appeals process, based on current practices in handling similar appeals.

AGO states with regard to the provisions relating to the Missouri Senior Rx Program, AGO assumes that any potential costs arising from these provisions can be absorbed from existing resources.

**Oversight** is presenting the cost of one Assistant Attorney General I. If the AGO needs additional staff, Oversight assumes they can request additional FTE through the budget process.

ASSUMPTION (continued)

Section 192.1000 - 192.1027 and elimination of Section 178.661 - 178.673- Personal Care Assistance

**Oversight** assumes the program that was administered in the Department of Elementary and Secondary Education (DOH)- Division of Vocational Rehabilitation is now transferred to the Department of Health and Senior Services (DOH). The fiscal year 2006 budget shows a \$67,567,837 (of which \$26,141,763 is General Revenue) transfer from DES to DOH.

Officials from the **Department of Mental Health (DMH)** state Medicaid savings for DMH Medicaid clients are reflected in the savings presented by the DOS.

DMH states many of the changes will reduce the number of clients served by DMH providers. Some requirements will move clients to spenddown.

Officials from the **Department of Social Services (DOS) - Division of Medical Services (DMS)** state the following:

**208.146**

This legislation eliminates eligibles for medical assistance benefits pursuant to the federal Ticket to Work and Work Incentives Improvement Act of 1999 by the DOS.

Approximately 9,529 persons will lose coverage and 4,553 will move to spenddown. DMS estimates cost savings to be \$110,200,000 for FY06, FY 07 and FY08 if this service is eliminated.

**208.147**

DMS states this legislation provides that annual income eligibility and verification reviews are to be conducted for Medicaid recipients. DMS assumes some individuals will lose medical assistance because of changes in their income status which will result in a cost savings for DMS.

FSD determined the amount and supplied the figures. A 12-month phase-in was used. They estimated that a total of \$29,089,537 would be saved during FY06. For FY07 and FY08, estimated savings is \$53,703,760. Two matched rates were used because some of the recipients that would lose eligibility are CHIP.

**208.151**

This legislation reduces income levels for eligibility, eliminates some optional services and

ASSUMPTION (continued)

returns income limit to SSI limit for OAA and PTD eligibles.

208.151.1.(17)--Eliminates presumptive eligibility for pregnant women. DMS estimates cost savings to be \$3,853,153 for FY06, FY07, and FY08 if this eligibility category is eliminated. Savings are based on actual FY04 spending.

208.151.1.(22)--Eliminates case management for pregnant women. DMS estimates cost savings to be \$524,294 for FY06, FY07, and FY08 if this service is eliminated. Savings are based on actual FY04 spending.

208.151.1.(25)--Returns income limit to SSI limit for OAA and PTD Eligibles. DMS believes a cost savings will occur because DMS assumes some individuals will lose medical assistance because of income limit changes. Approximately 14,607 persons will lose Medicaid coverage. The projected cost savings is \$113,300,000 for FY06, FY07, and FY08. Savings are based on the FY06 budget request.

**208.152**

This legislation eliminates some optional services, such as dental services, services of Podiatrists, Optometric services, Comprehensive Day Rehab services and Hospice services. This legislation restores benefits to children, pregnant women and blind persons. Benefits include dental, services of Podiatrists, Optometric Services, Orthopedic Devices, Hospice Care and Comprehensive Day Rehab.

208.152.1(7)--Eliminates dental services. DMS estimates cost savings to be \$28,400,000 for FY06, FY07, and FY08 if this service is eliminated. Savings are based on the FY06 budget request, net of payments for services for children, pregnant women and blind persons.

208.152.1(8)--Eliminates services of podiatrists. DMS estimates cost savings to be \$1,900,000 for FY06, FY07, and FY08 if this service is eliminated. Savings are based on the FY06 budget request, net of payments for services for children, pregnant women and blind persons.

208.152.1(9)--Eliminates drug coverage for Medicaid eligibles who are also eligible for drug coverage under Medicare (MMA). DMS states the proposed legislation bars any pharmacy payment for dual eligibles. There will be savings to the State. However, the State will be required to pay the majority of savings to the federal government via the clawback payment. The savings generated by no longer paying the Medicaid claims have

ASSUMPTION (continued)

been used as a funding source for the clawback payment. The effect of no longer paying the Medicaid pharmacy claims will also impact the pharmacy tax and rebates. The DMS believes the fiscal impact will be a cost of \$19.9 million for FY06, \$79.7 million for FY07 and \$108.8 million for FY08.

208.152.1(13) & (17)--Eliminates optometric services and orthopedic devices or other prosthetics. DMS estimates cost savings to be \$24,828,310 for FY06, FY07, and FY08 if this eligibility category is eliminated. Savings are based on the FY06 budget request, net of payments for services for children, pregnant women and blind persons.

208.152.1(20)--Eliminates comprehensive day rehab services. DMS estimates cost savings to be \$1,000,000 for FY06, FY07, and FY08 if this service is eliminated. Savings are based on the FY06 budget request, net of payments for services for children, pregnant women and blind persons.

208.152.1(21)--Eliminates hospice services. DMS estimates cost savings to be \$36,300,000 for FY06, FY07, and FY08 if this service is eliminated. Savings are based on the FY06 budget request, net of payments for services for children, pregnant women and blind persons.

208.152.3--Requires recipients of medical assistance to pay a co-pay for all covered services. DMS states the requirements to have recipients of medical assistance pay a co-payment for all covered services will result in a cost savings to the DMS. The cost savings is projected to be \$64,200,000 for FY06, FY07, and FY08. Savings are based on the FY06 budget request.

**208.162**

This legislation eliminates medical assistance for persons receiving general relief.

Cost savings is estimated to be \$14,200,000 for FY06, FY 07, and FY08 if this service is eliminated. Savings are based on actual FY04 spending.

**208.212**

This legislation states that assets used for the purchase of an annuity shall be treated by the DOS as an available resource unless the annuity is actuarially sound as measured against the Social Security Administration Life Expectancy Tables, provides equal or nearly equal payments for the duration of the device and excludes "balloon" style final payments and provides the state of Missouri secondary or contingent beneficiary status ensuring payment if the individual

ASSUMPTION (continued)

predeceases the duration of the annuity, in an amount equal to the Medicaid expenditures made by the state on the individual's behalf.

The DOS shall establish a seventy-two month look-back period to review any investment in an annuity by an applicant for Medicaid benefits. If the DOS determines that an investment in an annuity was made in anticipation of obtaining or with intent to obtain eligibility for Medicaid benefits, the department shall have available all remedies and sanctions permitted under federal and state law regarding such investment.

Adding limits to annuities could prevent some individuals from becoming Medicaid eligible. FSD estimates this would result in 12 cases being determined ineligible each year. The projected cost savings for FY06 (10 months) is \$181,184. The projected cost savings for FY07 and FY08 is \$257,558 each year.

**208.225**

This legislation eliminates the Nursing Facility Reimbursement rate rebase.

The DMS believes that by eliminating the Nursing Facility Reimbursement rebase we will see a cost savings of \$46,291,337 for FY06, \$47,587,494 for FY07 and \$48,919,944 for FY08. Savings are based on the FY06 budget request.

Officials from the **Department of Social Services - Children's Division (CD)** state this legislation would implement a means test on income up to 200% of poverty on Adoption Subsidy and Subsidized Guardianship children. The federal government does not allow means testing on children that are eligible for reimbursement of federal funds (IV-E). Therefore the CD assumes that the means test will only be applied to children who receive state only maintenance payments.

In FY04, approximately 43% of the children who were in an Adoptive placement were considered State-Only funded placements. All Subsidized Guardianship placements are funded 100% by the state. For FY06, the projected average monthly caseload is 12,474 for Adoption Subsidy and 2,895 for Subsidized Guardianship.

The Division projects that 50.05% of Adoption Subsidy and Subsidized Guardianship families would be above 200% of poverty. This is based on a combination of the following information. In FY2002, legislation was implemented in the GAFP program to place an income limit on the families of 200% of the poverty level. After the legislation was implemented, the number of children in the program fell by 21% which means that percentage of the families were above

ASSUMPTION (continued)

200% of poverty. The 2000 census data shows that 79.1% of all Missouri families were above 200% of poverty. The Children's Division used the average of the two which is 50.05%.

The following is the calculation showing the average monthly reduction in caseload.

Adoption Subsidy

12,474 cases X 43% (State Only) X 50.05% (% above 200% of poverty) = 2,685

Subsidized Guardianship (All Subsidized Guardianship placements are state only)

2,895 cases x 50.05% = 1,448 cases

The total amount of savings to the Adoption Subsidy program would be reduced due to children staying in care longer. It is projected that the net savings on these children would be \$12,471,716 reduction to the Adoption Subsidy Appropriation.

Additionally, there may be some additional cost in staff time due to children staying in care longer. However, the impact is unknown.

The net impact of this legislation on the Children's Division Adoption Subsidy program is \$12,471,716.

Officials from the **Department of Social Services - Division of Legal Services (DLS)** assume as a result of this proposal, because more participants might be on spenddown there is a likelihood to be an increase in hearings. In addition with an institution of income limits on adoption subsidies, it has a possibility of increasing.

The hearing unit assumes that all eliminated programs will not require hearings pursuant to 208.140, RSMo. These eliminated programs are General Relief, MAWD, and optical, podiatry and dental services.

DLS assumes that the hearings unit will have to hear 10% of approximately 48,801 expedited cases, which involved MA Non-Spenddown, MA Spenddown Met Cases and MA Spend-down Not Met Cases. DLS estimates the hearings unit will have approximately 4,880 expedited hearings, which can be heard by existing staff.

Although the MAWD program will be eliminated, DLS assumes that 14,282 will be negatively impacted, and assumes that 10% or 1,428 people will require a hearing. DLS also assumes that 10% of the Adoption Subsidy cases (2,685) will request a hearing, which is approximately 269



ASSUMPTION (continued)

hearings. Therefore, DLS assumes that a total of 6,577 people will require hearings. DLS assumes the current hearing staff can absorb these hearings.

Officials from the **Department of Social Services - Research and Evaluation (R&E)** assume this legislation would need to be incorporated into the FAMIS system as the Medical assistance phase is developed. Automating the annual review could also impact FAMIS. Income Maintenance estimate is approximately 1,830 to 3,520 analyst and programmer hours to change the requirements for the various programs. The State Data Center costs are unknown due to the uncertainty of the number of records to store and process. Based on programming costs of \$75 per hour, costs to make system requirements are greater than \$202,500 (\$75 x 2,700 hours).

Officials from the Department of Social Services Family Support Division (FSD) assume the following table represents the total number of persons impacted by this proposal:

	Persons Closed	Meeting new or increased Spenddown
Reinvestigations	13,609	—
OAA/PTD/MAWD Income Change	14,607	18,504
Elimination of MAWD & GR	12,575	4,753
Total	40,791	23,257

FSD states this legislation would require the FSD to do reinvestigations on approximately 381,480 cases annually or 31,790 per month. This legislation allows the review to be completed by a food stamp reinvestigation. Approximately, 54.4% of Medicaid cases receive food stamps. Additionally, FSD already performs 22,253 reinvestigations per month.

The FSD would need additional caseworkers and support staff or redirect its current workforce to do the additional reinvestigations that are not already performed.

Monthly Reinvestigations    31,790  
 Amount already performed    22,253  
 Additional Reinvestigations    9,537

ASSUMPTION (continued)

Amount Covered through Food Stamps	9,537
	<u>x 54.4%</u>
	5,188

Additional Reinvestigations net of Food Stamps	9,537
	<u>-5,188</u>
	4,349

Based on current caseloads, the average caseworker can handle approximately 50 reinvestigations per month.

$$4,349/50 = 86.9 \text{ Caseworkers per month (Rounded to 87)}$$

Additionally, 9 supervisors would be needed based on a 10 to 1 standard and 16 office support staff based on 6 professional staff to 1 office support staff.

The fiscal impact of SB 539 depends largely on whether new FTEs are appropriated to handle the reinvestigations or whether FSD redirects its workforce from other activities to complete them. Fiscal Impact would range from \$0 to \$4,897,470 in FY 2006 depending on if staff can be redirected.

**Oversight** assumes the FSD staff can be redirected and fiscal impact is \$0. If additional staff are needed or can be reduced, **Oversight** assumes that this can be done through the appropriation process in future years.

**Section 208.780-208.798-creates Senior Rx**

Officials from the Department of Health and Senior Services assume Section 208.780 will impact more than 300,000 people and the costs will be unknown but greater than \$100,000, and the savings/revenue generated from rebates is estimated to be \$20 million in FY06. In FY07 and FY08, the annual savings/revenue generated from rebates is estimated to be in the range of \$110 - \$115 million.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
 <b>GENERAL REVENUE</b>			
 <u>Savings</u> - Department of Social Services - Division of Medical Services			
Section 208.146	\$34,800,000	\$34,800,000	\$34,800,000
Section 208.147	\$10,952,011	\$20,219,096	\$20,219,096
Section 208.151.1(17)	\$1,474,216	\$1,466,895	\$1,466,895
Section 208.151.1(22)	\$200,595	\$199,599	\$199,599
Section 208.151.1(25)	\$34,500,000	\$34,500,000	\$34,500,000
Section 208.152.1(7)	\$10,865,840	\$10,811,880	\$10,811,880
Section 208.152.1(8)	\$726,940	\$723,330	\$723,330
Section 208.152.1(13) and (17)	\$9,499,311	\$9,452,138	\$9,452,138
Section 208.152.1(20)	\$382,600	\$380,700	\$380,700
Section 208.152.1(21)	\$13,888,380	\$13,819,410	\$13,819,410
Section 208.152.3	\$24,562,920	\$24,440,940	\$24,440,940
Section 208.162	\$14,200,000	\$14,200,000	\$14,200,000
Section 208.212	\$69,321	\$98,542	\$98,542
Section 208.225	<u>\$17,711,066</u>	<u>\$18,116,559</u>	<u>\$18,623,823</u>
<u>Total Savings</u> - Department of Social Services- Division of Medical Services	\$173,833,200	\$183,229,089	\$183,736,353
 <u>Savings</u> - Department of Social Services - Children's Division			
Section 453.072	\$12,471,716	\$12,471,716	\$12,471,716
 <u>Costs</u> - Department of Social Services - Division of Medical Services			
Section 208.152.1(9)	(\$19,900,000)	(\$79,700,000)	(\$108,800,000)
 <u>Costs</u> - Department of Social Services - Research and Evaluation			
Programming costs	(Greater than \$202,500)	\$0	\$0

Costs - Office of Attorney General

Personal Service (1 FTE)	(\$26,906)	(\$33,094)	(\$33,922)
Fringe benefits	(\$11,478)	(\$14,118)	(\$14,472)
Expense and Equipment	(\$13,573)	(\$13,955)	(\$14,372)
Total <u>Costs</u> - Office of Attorney General	(\$51,957)	(\$61,167)	(\$62,766)

Costs-Department of Health and Senior Services - Senior Rx

Administrative costs	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)
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**ESTIMATED NET EFFECT ON  
 GENERAL REVENUE**

<b><u>Less than</u></b> <b><u>\$166,050,459</u></b>	<b><u>Less than</u></b> <b><u>\$115,839,638</u></b>	<b><u>Less than</u></b> <b><u>\$87,245,303</u></b>
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**MISSOURI SENIOR Rx FUND**

Income-Department of Health and Senior Services - Senior Rx

Rebate	<u>\$20,000,000</u>	<u>\$110,000,000 to</u> <u>\$115,000,000</u>	<u>\$110,000,000 to</u> <u>\$115,000,000</u>
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**ESTIMATED NET EFFECT ON  
 MISSOURI SENIOR Rx FUND**

<b><u>\$20,000,000</u></b>	<b><u>\$110,000,000 to</u></b> <b><u>\$115,000,000</u></b>	<b><u>\$110,000,000 to</u></b> <b><u>\$115,000,000</u></b>
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**FEDERAL**

Savings - Department of Social Services -  
 Division of Medical Services

Section 208.146	(\$75,400,000)	(\$75,400,000)	(\$75,400,000)
Section 208.147	(\$18,137,526)	(\$33,484,664)	(\$33,484,664)
Section 208.151.1(17)	(\$2,378,937)	(\$2,386,258)	(\$2,386,258)
Section 208.151.1(22)	(\$323,699)	(\$324,695)	(\$324,695)
Section 208.151.1(25)	(\$78,800,000)	(\$78,800,000)	(\$78,800,000)
Section 208.152.1(7)	(\$17,534,160)	(\$17,588,120)	(\$17,588,120)
Section 208.152.1(8)	(\$1,173,060)	(\$1,176,670)	(\$1,176,670)
Section 208.152.1(13) and (17)	(\$15,328,999)	(\$15,376,172)	(\$15,376,172)
Section 208.152.1(20)	(\$617,400)	(\$619,300)	(\$619,300)
Section 208.152.1(21)	(\$22,411,620)	(\$22,480,590)	(\$22,480,590)
Section 208.152.3	(\$39,637,080)	(\$39,759,060)	(\$39,759,060)
Section 208.162	\$0	\$0	\$0
Section 208.212	(\$111,863)	(\$159,016)	(\$159,016)
Section 208.225	(\$28,580,271)	(\$29,470,935)	(\$30,296,121)
<u>Total Savings</u> - Department of Social Services- Division of Medical Services	(\$300,434,615)	(\$317,025,480)	(\$317,850,666)

Loss - Department of Social Services -  
 Division of Medical Services

Program reimbursements	\$300,434,615	\$317,025,480	\$317,850,666
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**ESTIMATED NET EFFECT ON  
 FEDERAL**

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Medicaid providers, some of which will be considered small businesses, due to a decrease in the items covered, such as dental, mental health, and optical will have a fiscal impact. This proposal may also affect the nursing home industry as rates will be frozen by this legislation.

## DESCRIPTION

This proposal modifies certain provisions dealing with various health care and social services programs, including medicaid, the Missouri Senior RX, and personal care assistance programs.

**PERSONAL CARE ASSISTANCE PROGRAM** - This proposal moves the personal care assistance program for disabled persons the Department of Elementary and Secondary Education to the Department of Health and Senior Services (Section 192.1000).

The department shall provide financial assistance to physically disabled persons for personal care assistance services through eligible vendors. The proposal prescribes requirements for eligibility and annual eligibility review (Sections 192.1003 and 192.1006). Upon determination of eligibility, the department shall develop a personal care assistance services plan (192.1006).

Consumers receiving personal care assistance shall be responsible for the supervision of the attendant while the vendor shall be responsible for the medicaid reimbursement process, including filing claims and mailing individual payment directly to the assistant (Section 192.1009).

The services are not authorized if the primary benefit of the services is to the household unit and such household may reasonably be expected to share or do for one another when they live in the same household. Neither shall the services be used to employ a personal care assistant who is listed on any of the background check lists, unless a good cause waiver is first obtained from the department (Section 192.1009).

In addition, this proposal delineates the duties of certain persons to report instances where such person reasonably believes a consumer has been neglected, abused, or where the consumer's property of funds have been misappropriated (Sections 192.1012 and 192.1015). It also details the duties of the department's case manager to investigate instances of abuse. It shall be a Class A misdemeanor if a person who is required to report abuse fails to do so. This proposal also provides for an employee disqualification list to be maintained by the department for attendants who commit fraudulent acts (Section 192.1015).

**MEDICAID** - This proposal provides that annual income eligibility and verification reviews are to be conducted for medicaid recipients (Section 208.147). The family support division shall annually send a re-verification from letter to the recipient requiring the recipient to respond within ten days and to provide income verification documents.

This proposal reduces income levels for eligibility and eliminates some optional services.

DESCRIPTION (continued)

Further, this proposal provides the Department of Social Services may apply for federal medicaid waivers as necessary, provided that such costs to the state will not exceed one million additional dollars (Section 208.151). Such a request for a waiver will not become effective except by executive order.

In addition, the proposal provides that a health care provider may not refuse to provide a service if a recipient is unable to pay a required fee. However, upon approval from the Centers for Medicare and Medicaid Services, a provider may terminate future services to an individual with an unclaimed debt, so long as it is the provider's routine business practice to do so and the provider gives advance notice to the individual and reasonable opportunity for payment(Section 208.152).

This proposal also provides that for purposes of medicaid eligibility, investment in annuities shall be limited only to those annuities that are actuarially sound (Section 208.212). The department shall establish a seventy-two month look-back period to review any investment in an annuity by an applicant for medicaid benefits.

THE MISSOURI SENIOR RX PROGRAM - The Missouri Senior RX program may select one or more prescription drug plans as the preferred plan for purposes of the coordination of benefits between the program and the Medicare Part D drug benefit(Section 208.782). The department shall give initial enrollment priority to the medicaid dual eligible population, which are those individuals who are eligible for medicare and medicaid. The successive enrollment priority shall be medicare eligible participants with an annual household income at or below one hundred and fifty percent of the federal poverty guidelines(Section 208.784).

The program is a payor of last resort, and is meant to cover costs for participants who are not covered by the medicare part D program. Ineligible persons include those who are qualified for coverage of payments for prescriptions drugs under a public assistance program, other than from the Medicare Modernization Act benefits, and if the persons are not considered dual eligible. Also, persons who are qualified for full coverage under another plan of assistance or insurance are ineligible(Section 208.788).

This proposal also creates the Missouri Senior RX Program Advisory Commission, which shall be charged with advising the benefit design and operational policy of the program (Section208.792).

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri House of Representatives  
Department of Elementary and Secondary Education  
Department of Health and Senior Services  
State Treasurer's Office  
Missouri Senate  
Department of Economic Development  
Secretary of State  
Office of Attorney General  
Office of Administration  
Department of Mental Health

**NOT RESPONDING: Missouri Lieutenant Governor**



Mickey Wilson, CPA  
Director  
March 7, 2005