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HB270 - Medicaid For Medical & Intermediate Care

"An Act amending the eligibility threshold for medical assistance for persons in a medical or intermediate care facility."

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In 2003, the Legislature modified Alaska Statute to freeze the Medicaid long-term services income eligibility limit at that year's level (\$1,656). This change created a ceiling for waiver eligibility, rather than allowing the eligibility limit to adjust annually in tandem with the Supplemental Security Income maximum benefit amount. This meant that from 2003 on, a small Social Security cost of living adjustment could put a person over the \$1,656 limit, and in effect disqualify many people from the program.

The Supplemental Security Income (SSI) is a federal needs-based disability program for adults and children. For an adult, the SSI disability requirement is based on the ability to work. An adult is considered disabled if the person cannot do the work that they performed before the disability occurred or cannot do alternate work because of a severe physical or mental condition. For a child to be eligible, they must suffer from serious physical and/or mental problems. For both adults and children, the disability must last, or be expected to last for at least one year.

House Bill 270 will change the current income eligibility rate which is frozen at \$1,656 a month, or 300% of the 2003 SSI benefit rate, to 300% of the current SSI rate.

Near the end of 2008 many individuals received notices that they would no longer be eligible for the waiver after the 2009 Social Security COLA went into effect. Because the waiver eligibility limits no longer adjust with changes in the cost of living, it placed some people slightly over the \$1,656 monthly limit. While there are options available for preserving eligibility, such as with the creation of a Medicaid qualifying income trust, also known as a Miller trust, these options have drawbacks. To qualify for a Miller trust the individual must seek the assistance of an attorney and find a trusted individual to manage

their trust assets. In addition, the Miller trust has a number of responsibilities and restrictions that must be followed.

Medicaid services are critical to the well-being of Alaska's most vulnerable citizens. Lending support to this legislation will ensure that eligible Alaskans can continue to receive nursing home care and in-home services.

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House Majority Press: <http://housemajority.org/spon.php?id=26HB270>