

HB

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Proposal to Implement Proposed 300%'er Change

OFFERED IN THE HOUSE

BY REPRESENTATIVE WILSON

TO: CSHB 114 (STA)

Page 1, line 1 thru 8:

Delete all material in the Title and Insert "An Act relating to Medicaid personal needs allowance for assisted living home residents."

Page 1, line 10 thru page 12, line 15:

Delete all material and Insert new bill sections to read:

The uncodified law of the State of Alaska is amended by adding a new section to read:

* Sec. 1. It is the Intent of the Legislature that the Department of Health and Social Services Repeal 7 AAC 43.1058(k)(1)(B) effective July 1, 2005.

* Sec. 2. ~~The uncodified law of the State of Alaska is amended by adding a new section to read:~~

The Department of Health and Social Service shall adopt new emergency regulations establishing a personal needs allowance for recipients residing in an assisted living facility equal to the monthly income limit set in AS 47.07.020(b)(6) minus \$260. Until such time as the department can adopt these regulations at 7 AAC 43.1058(k)(1)(B) the department shall apply personal needs allowance for recipients residing in an assisted living facility equal to the monthly income limit set in AS 47.07.020(b)(6) minus \$260.

This meets the requirements for a finding of a public, health safety and welfare emergency under AS 44 62. 250.

* Sec. 3. Section 1 of this Act takes effect July 1, 2005.

* Sec. 4. Section 2 of this Act takes effect July 2, 2005.

Proposal to Allow Higher Room and Board Charges to 300%'ers

Prior to 6/28/04 Regulation Change:

- Medicaid waiver recipients under the 300% of SSI eligibility category were allowed to keep \$1,656 as a personal needs allowance, which includes room and board.
- Assisted living homes charged these residents up to \$1,556 for room and board.
- Assisted living homes let residents retain at least \$100/month for other personal expenses.

After Regulation Change:

- Medicaid waiver recipients under the 300% category are allowed to keep \$679/month (\$100 + SSI payment standard, currently \$579) as a personal needs allowance, which includes room and board.
- Assisted living homes charge individuals \$579 for room and board.
- Assisted living homes let residents retain \$100 for other personal expenses.
- Assisted living homes received an additional \$8.65/day, about \$260/month, in Medicaid payment for each resident.
- Resident income in excess of personal needs allowance is used to offset Medicaid charges.

Reversing the Impact of the Regulation Change:

- Medicaid waiver recipients under the 300% category are allowed to keep \$1,396/month as a personal needs allowance, which includes room and board ($\$1,656 - \$260 = \$1,396$).
- Assisted living homes can charge individuals up to \$1,296/month for room and board.
- Assisted living homes let residents retain at least \$100/month for other personal expenses.
- Assisted living homes continue to receive an additional \$8.65/day, about \$260/month, in Medicaid payment for each resident.
- Assisted living homes can collect up to \$1,556/month in room and board and Medicaid rate increase ($\$1,296 + 260 = \$1,556$).
- Resident income in excess of personal needs allowance is used to offset Medicaid charges.

Cost impact of the Reversing Change to 300%'ers:

577 adults in assisted living homes on Medicaid waivers

30 percent are 300%'ers

50 percent of 300%'ers live in homes that have higher room and board charges for 300%'ers than for APA recipients.

On average, Medicaid offset is reduced by \$350/month, or \$4,200/year, per resident.

Total Cost = $577 \times 30\% \times 50\% \times \$4,200 = \$363.5$ total funds

GF Cost = \$181.8

Proposed Intent Language on coordination of regulation with rate setting:

It is the intent of the Legislature that appropriate Department of Health and Social Services rate-setting staff attend public hearings and review written public comments for regulations affecting the delivery of services funded by the department, and consider the impact of those regulations when establishing rate-setting policy.