

OFFICE OF FISCAL ANALYSIS

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SB-195

AN ACT INCREASING THE MINIMUM AMOUNT OF ASSETS THAT MAY BE RETAINED BY THE SPOUSE OF AN INSTITUTIONALIZED MEDICAID RECIPIENT.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Social Services, Dept.	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a cost to the Department of Social Services (DSS) associated with increasing the minimum amount of assets a community spouse of an institutionalized Medicaid eligible individual can retain from \$27,480 to \$50,000.

Currently, a community spouse has access to half of the couple's liquid assets as determined by DSS, with a minimum of \$27,480. For example, if a couple's total counted assets equal \$50,000, the community spouse could keep \$50,000 under the bill instead of \$27,480 under current state law. The portion of a couple's assets used to cover the cost of their care prior to becoming Medicaid eligible is not known. However, by reducing the amount available to the institutional spouse, it is likely that they would achieve Medicaid eligibility sooner.

For context, if half of the estimated married, long-term care enrollees experienced two months of accelerated eligibility, it would result in a state cost of approximately \$4.3 million. The actual costs will depend on the disposition of couples' assets prior to Medicaid eligibility and the

number of couples impacted.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.