

# MAINE STATE LEGISLATURE

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HEALTH AND HUMAN SERVICES

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
118TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1530, L.D. 2152, Bill, "An Act to Strengthen the Collection of Medicaid Liens"

Amend the bill by striking out the title and substituting the following:

'An Act Regarding the Medicaid Program'

Further amend the bill by inserting after section 5 the following:

Sec. 6. 22 MRSA §3174-P, as enacted by PL 1995, c. 665, Pt. EE, §1 and affected by §3, is repealed.

Sec. 7. 22 MRSA §3762, sub-§8, ¶A, as enacted by PL 1997, c. 530, Pt. A, §16 is amended to read:

A. The department shall administer a program of transitional Medicaid to families in accordance with this paragraph.

(1) The department shall provide transitional Medicaid to families whose average gross monthly earnings, less such costs to the family for child care as-is necessary for employment, do not exceed 185% of the federal poverty guidelines in accordance with PRWORA and this subsection. In order to receive transitional Medicaid as the result of increased earnings or number of hours worked, a family must have received TANF assistance for at least 3 of the last 6 months, except as provided in subparagraph 2.

COMMITTEE AMENDMENT

2 (2) The department shall provide transitional Medicaid  
for families whose eligibility for TANF assistance  
4 terminated due to employment obtained through work  
search activities pursuant to this chapter, in which  
6 case the family must have received TANF assistance for  
at least one of the last 3 months.

8 (3) To continue to receive transitional Medicaid  
assistance following the first 6 months of coverage, a  
10 family entering the transitional Medicaid program prior  
to federal approval or waiver under subparagraph 4 with  
12 income above 133% of the federal poverty guidelines  
must pay premiums in accordance with rules adopted by  
14 the department. If a family entering the transitional  
Medicaid program after federal approval or waiver has  
16 average gross monthly earnings, less average monthly  
costs for such child care as is necessary for  
18 employment, that are above 100% of the federal poverty  
guidelines, then that family shall pay, beginning in  
20 their 7th month of receiving transitional Medicaid,  
monthly premiums, copayments or other methods of cost  
22 sharing equal to no more than 3% of that family's  
average gross monthly earnings, less the average  
24 monthly costs for such child care as is necessary for  
employment.

26 (4) By October 1, 1997, the department shall have taken  
28 reasonable steps to seek a federal waiver, approval of  
a state plan modification under Section 114 of PRWORA  
30 or any other appropriate action to secure federal  
approval to use federal matching funds to extend  
32 transitional Medicaid assistance for 2 years beyond the  
families' initial 1-year period of eligibility.  
34 Beginning on February 1, 1998, or at the time that the  
department receives the federal approval or waiver,  
36 whichever is later, the department shall provide  
extended benefits under this subparagraph to families  
38 that qualify under subparagraph (1) or (2) and that  
meet the requirements of the transitional Medicaid  
40 program.

42 (5) The department shall provide transitional Medicaid  
for 4 months to families whose eligibility for TANF  
44 assistance terminated due to an increase in the amount  
of child support received by the family.

46 (6) The department shall require reporting of income  
48 or circumstances for the purpose of determining  
eligibility and premium payments, copayments or other  
50 methods of cost sharing for benefits under this

2 paragraph in accordance with rules adopted by the  
department.

4 (7) The scope of services provided under this  
6 paragraph must be the same as the scope of services  
provided when a family received TANF assistance.'

8 Further amend the bill by inserting at the end before the  
summary the following:

10 **Sec. 8. Medicaid for persons with disabilities.** Beginning October  
12 1, 1998 the Department of Human Services is authorized to  
implement the provisions of the Balanced Budget Act of 1997,  
14 Public Law 105-33, 111 Stat. 251, Section 4793 to create a  
Medicaid categorically needy eligibility group for individuals  
16 whose family income is less than 250% of the nonfarm income  
official poverty line and who, except for their earned income,  
18 would be considered to be receiving supplemental security income  
benefits.

20 **Sec. 9. Appropriation.** The following funds are appropriated  
22 from the General Fund to carry out the purposes of this Act.

24 1998-99

26 **HUMAN SERVICES, DEPARTMENT OF**

28 **Medical Care - Payments to Providers**

30 All Other \$345,659

32 Provides funds to implement a  
34 Medicaid buy-in program for  
certain people with  
36 disabilities.

38 **Sec. 10. Allocation.** The following funds are allocated from  
the Federal Expenditure Fund to carry out the purposes of this  
Act.

40 1998-99

42 **HUMAN SERVICES, DEPARTMENT OF**

44 **Medical Care - Payments to Providers**

46 All Other \$680,341

48

Provides funds to implement a Medicaid buy-in program for certain people with disabilities.'

Further amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

Further amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

1998-99

APPROPRIATIONS/ALLOCATIONS

General Fund	\$345,659
Other Funds	680,341

REVENUES

Other Funds	\$680,341
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This bill includes a General Fund appropriation of \$345,659 and a Federal Expenditure Fund allocation of \$680,341 in fiscal year 1998-99 to the Department of Human Services to establish a Medicaid buy-in program for certain people with disabilities. The General Fund cost of this program in fiscal years 1999-00 and 2000-01 is estimated to be \$495,501 and \$534,150, respectively.

The repeal of the pharmacy processing fee is a technical correction that does not require any adjustment to budgeted revenue, appropriations or allocations.

This bill also enhances the Department of Human Services' ability to collect third party recoveries which are applied to reduce certain General Fund and Federal Expenditure Fund Medicaid costs. The department may also experience savings from changes in the private health insurance premium program.

The additional costs associated with changing the cost sharing provisions of transitional Medicaid can be absorbed by the department utilizing existing budgeted resources.

2 This bill also may decrease the number of civil suits filed  
in the court system. The Judicial Department may realize some  
4 minor savings from reductions of workload and administrative  
costs associated with the minimal number of cases that will no  
6 longer be filed. Reductions in the collection of filing fees may  
decrease General Fund revenue by minor amounts.'

8

### SUMMARY

10

12 This amendment retains the provisions of the bill and adds 2  
provisions that clarify language in the existing statutes on  
transitional Medicaid. It authorizes the Department of Human  
14 Services to implement the provisions of the federal Balanced  
Budget Act of 1997 to establish a Medicaid buy-in program for  
16 persons with disabilities who work and appropriates funds for  
that coverage. It repeals a provision of law that requires the  
18 Department of Human Services to assess pharmacies by  
prescriptions filled under the Medicaid program because the  
20 department intends to charge the assessments via rulemaking in  
the Maine Medical Assistance Manual. The amendment also adds a  
22 fiscal note to the bill.