

MAINE STATE LEGISLATURE

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R & S.

L.D. 1477

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DATE: May 24, 1999

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HEALTH AND HUMAN SERVICES

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Reported by:

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**STATE OF MAINE
SENATE
119TH LEGISLATURE
FIRST REGULAR SESSION**

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COMMITTEE AMENDMENT " B " to S.P. 492, L.D. 1477, Bill, "An Act to Promote Healthy Maine Families"

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Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

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'Sec. 1. 22 MRSA §3174-G, sub-§1, as amended by PL 1997, c. 777, Pt. A, §1, is repealed and the following enacted in its place:

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1. Delivery of services. The department shall provide for the delivery of federally approved Medicaid services to the following persons:

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A. A qualified woman during her pregnancy and up to 60 days following delivery and an infant under one year of age when the woman's or child's family income is equal to or below 185% of the nonfarm income official poverty line, a qualified elderly and disabled person when the person's family income is equal to or below 100% of the nonfarm income official poverty line and a child one year of age or older and under 19 years of age when the family income is equal to or below 150% of the nonfarm income official poverty line; and

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B. The parent or caretaker relative of a child described in paragraph A when the family income is below 150% of the nonfarm income official poverty line, subject to adjustment

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2 by the commissioner under this paragraph. Medicaid services
3 provided under this paragraph must be provided within the
4 limits of the program budget. Funds appropriated for
5 services under this paragraph must include an annual
6 inflationary adjustment equivalent to the rate of inflation
7 in the Medicaid program. On a quarterly basis the
8 commissioner shall determine the fiscal status of program
9 expenditures under this paragraph. If the commissioner
10 determines that expenditures will exceed the funds available
11 to provide Medicaid coverage pursuant to this paragraph, the
12 commissioner must adjust the income eligibility limit for
13 new applicants to the extent necessary to operate the
14 program within the program budget. If, after an adjustment
15 has occurred pursuant to this paragraph, expenditures fall
16 below the program budget, the commissioner must raise the
17 income eligibility limit to the extent necessary to provide
18 services to as many eligible persons as possible within the
19 fiscal constraints of the program budget, as long as the
20 income limit does not exceed 150% of the nonfarm income
21 official poverty line.

22 For the purposes of this section, the official poverty line is
23 that applicable to a family of the size involved, as defined by
24 the federal Department of Health and Human Services and updated
25 annually in the Federal Register under authority of 42 United
26 States Code Section 9902(2).

27 **Sec. 2. 22 MRSA §3762, sub-§8, ¶A,** as amended by PL 1997, c.
28 795, §7, is further amended to read:

29 A. The department shall administer a program of
30 transitional Medicaid to families receiving benefits under
31 the federal Social Security Act, Section 1931 in accordance
32 with this paragraph.
33

34 (1) The department shall provide transitional Medicaid
35 to families whose average gross monthly earnings, less
36 costs to the family for child care necessary for
37 employment, do not exceed 185% of the federal poverty
38 guidelines in accordance with PRWORA and this
39 subsection. In order to receive transitional Medicaid
40 as the result of increased earnings or number of hours
41 worked, a family must have received TANF Medicaid
42 assistance for at least 3 of the last 6 months, except
43 as provided in subparagraph 2 (2).
44

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

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

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

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

(6) The department shall require reporting of income or circumstances for the purpose of determining eligibility and premium payments, copayments or other methods of cost sharing for benefits under this paragraph in accordance with rules adopted by the department.

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

6 **Sec. 3. Appropriation.** The following funds are appropriated
from the General Fund to carry out the purposes of this Act.

8 **1999-00 2000-01**

10 **HUMAN SERVICES, DEPARTMENT OF**

12 **Bureau of Medical Services**

14	Positions - Legislative Count	(1,000)	(1,000)
	Personal Services	\$10,259	\$20,518
16	All Other	2,125	1,250
18	TOTAL	\$12,384	\$21,768

20 Provides funds for the state
share of a Management Analyst
22 II position and related
operating costs to aid in
24 managing Medicaid coverage
beginning January 1, 2000.

26 **Medicaid Services - Healthy Maine Families**

28	All Other	\$1,498,702	\$3,645,925
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30 Provides funds for the state
32 share of expanding Medicaid
coverage and for modifying
34 transitional Medicaid
assistance beginning January
36 1, 2000.

38	DEPARTMENT OF HUMAN SERVICES		
40	TOTAL	\$1,511,086	\$3,667,693

42 **Sec. 4. Allocation.** The following funds are allocated from the
Federal Expenditures Fund to carry out the purposes of this Act.

44 **1999-00 2000-01**

46 **HUMAN SERVICES, DEPARTMENT OF**

48 **Bureau of Medical Services**

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2	Personal Services	\$10,259	\$20,518
	All Other	2,125	1,250
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	TOTAL	<u>\$12,384</u>	<u>\$21,768</u>

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8 Provides funds for the federal share of a Management Analyst II position and related operating costs to aid in managing Medicaid coverage beginning January 1, 2000.

14 **Medicaid Services - Healthy Maine Families**

16	All Other	\$2,943,066	\$7,146,021
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20 Provides funds for the federal share of expanding Medicaid coverage and for modifying transitional Medicaid assistance beginning January 1, 2000.

26	DEPARTMENT OF HUMAN SERVICES		
	TOTAL	<u>\$2,955,450</u>	<u>\$7,167,789</u>

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30 **Sec. 5. Certification.** Within 30 days of receipt of the first revenues to the State under the settlement agreement docketed by the Superior Court on December 9, 1998 in State of Maine v. Philip Morris, et al., Kennebec County Superior Court, Docket No. CV-97-134, the Treasurer of State shall certify receipt of such funds to the Governor and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs.

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40 **Sec. 6. Budget.** When the budget for the Medicaid program is considered and adopted, appropriations and allocations for coverage under the Maine Revised Statutes, Title 22, section 3174-G, subsection 1, paragraph B must be separated from the budget for other portions of the Medicaid program. Funding for coverage under the Medicaid program as authorized under this Act may be paid for only through allocations from the revenues to the State from the settlement agreement docketed by the Superior Court on December 9, 1998 in State of Maine v. Philip Morris, et al., Kennebec County Superior Court, Docket No. CV-97-134 and any federal funding that is allocated to coverage under this Act.

50 **Sec. 7. Effective date.** That section of this Act that

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repeals and replaces the Maine Revised Statutes, Title 22, section 3174-G, subsection 1; that section of this Act that amends Title 22, section 3762, subsection 8, paragraph A; and that section of this Act that deals with separating the appropriations and allocations for coverage under Title 22, section 3174-G, subsection 1, paragraph B from the budget for the Medicaid program take effect 30 days after certification by the Treasurer of State of receipt of the first revenues to the State under the settlement agreement docketed by the Superior Court on December 9, 1998 in State of Maine v. Philip Morris, et al., Kennebec County Superior Court, Docket No. CV-97-134 and any federal funding that is allocated to coverage under this Act.'

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

FISCAL NOTE

1999-00 2000-01

APPROPRIATIONS/ALLOCATIONS

General Fund	\$1,511,086	\$3,667,693
Other Funds	2,955,450	7,167,789

REVENUES

Other Funds	\$2,955,450	\$7,167,700
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This bill is contingent upon the receipt of funds by the State from the tobacco settlement agreement. The amount and timing of the General Fund revenue that will be received from the tobacco settlement can not be determined at this time.

This bill includes General Fund appropriations of \$1,511,086 and \$3,667,693 in fiscal years 1999-00 and 2000-01, respectively, for the Department of Human Services to expand Medicaid coverage and to modify transitional Medicaid assistance beginning January 1, 2000. The bill requires that the extended Medicaid coverage to parents and caretaker relatives of children eligible for the Medicaid program and the added income adjustment mechanism will be funded from the tobacco settlement revenues. These General Fund appropriations are contingent upon the receipt of funds from the tobacco settlement.

This bill also includes Federal Expenditures Fund allocations for the Department of Human Services of \$2,955,450

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2 and \$7,167,789 in fiscal years 1999-00 and 2000-01, respectively,
3 for the federal share of the costs to expand Medicaid coverage
4 and to modify transitional Medicaid assistance beginning January
5 1, 2000.

6 The additional costs associated with certifying receipt of
7 tobacco settlement funds to the Governor and the Joint Standing
8 Committee on Appropriations and Financial Affairs can be absorbed
9 by the Office of the Treasurer of State utilizing existing
10 budgeted resources.'

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SUMMARY

16 This amendment is the minority report of the committee. It
17 replaces the bill. It retains the provisions of the bill that
18 extend Medicaid coverage to parents and caretaker relatives of
19 children eligible for the Medicaid program and adds an income
20 adjustment mechanism to ensure that coverage for the parents and
21 caretaker relatives is provided within the limits of the program
22 budget. It repeals obsolete provisions in the transitional
23 Medicaid statutes. It requires funding for parents and caretaker
24 relatives under the new provisions to be separately funded. It
25 requires revenues from the national tobacco settlement to be used
26 to fund the coverage for parents and caretaker relatives and
27 limits that coverage to those revenues. It provides an effective
28 date of 30 days after receipt of the tobacco settlement revenues
for the provisions of the bill. It adds an appropriation, an
allocation and a fiscal note.

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