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**BILL: SB 138 Requires Department of Human Resources to Enter Into
an Agreement with the Federal Government to
Determine Medicaid Eligibility**

NEVADA STATE WELFARE DIVISION

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Good morning Chairman Raggio and members of the Senate Finance Committee. I am Leslie Danihel, Chief of Eligibility and Payments for the State Welfare Division. With me at the table is Patty Thompson, Administrative Services Officer for the Division of Health Care, Financing and Policy. Senate Bill 138, proposes to implement a recommendation made as a result of the Assembly Bill 513 strategic plan and supported by the Legislative Committee to Study Services to People with Disabilities. We are here to provide information on the possible impact of the recommendation, which would require the Department of Human Resources to enter into an agreement with the federal Social Security Administration, to determine eligibility for Medicaid at the same time eligibility is determined for the Supplemental Security Income Program known as (SSI).

AB 513 made many recommendations with regard to people with disabilities. Not all of the recommendations could be funded within one biennium. The strategic plan was designed to be a ten-year plan. Therefore, the recommendations were prioritized during development of the Governor's recommended budget, which funded issues arising out of the Olmstead court case decision and reorganization of services.

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As we understand it, the intent of the bill is to streamline the Medicaid eligibility process by eliminating the need for SSI applicants to file a separate application for Medicaid with the Welfare Division. Medicaid eligibility would automatically be determined by the Social Security Administration (SSA) for those categories of assistance which utilize the same eligibility as for SSI.

The Welfare Division currently contracts with SSA to determine Medicaid eligibility for state supplemental payments for aged and blind SSI applicants. There are no state supplemental payments for the disabled. The estimated cost of these determinations in the current fiscal year is \$8.84 per case, and is projected to be \$9.19 in FY 04 and \$9.56 per case in FY 05. All SSI recipients are categorically eligible for Medicaid.

If Senate Bill 138 is passed, all applicants determined eligible for SSI would automatically be determined eligible for Medicaid. This would ensure total enrollment of SSI recipients for Medicaid assistance. Eligibility information would be passed to the Welfare Division via an automated interface. Annual redeterminations of SSI eligibility would also include notification to the Welfare Division of Medicaid eligibility.

Passage of this bill would impact applicants, who would have to go through a separate process for eligibility in other areas. Currently applicants may apply for

Medicaid, coverage prior medical expenses, Qualified Medicare Beneficiary (QMB) and Food Stamp categories of assistance with one application. Under this proposal, this process would become bifurcated, as the Social Security Administration does not determine eligibility prior medical, QMB or Food Stamps. The Welfare Division would need to request additional information regarding prior medical expenses and assets to evaluate eligibility for prior medical and QMB. If the applicant does not provide information, the division could not issue these benefits. This may be confusing to applicants, who might believe all their Medicaid needs would be handled by the Social Security Administration. Additionally, if the individual wished to pursue food stamp benefits, a separate application would be required.

In December 2002, the Social Security Administration reported 28,285 persons receiving federal SSI benefits in Nevada. In December 2002, the Medicaid program included 25,813 SSI recipients. This means approximately 2,500 Nevada SSI recipients were not enrolled in the Medicaid program.

Upon approval or denial of an SSI application, as stated previously, eligibility information would be transmitted electronically to the Welfare Division. To accomplish this, automated systems would need to be programmed to accept the information, create a case record and trigger eligibility for Medicaid. Under the agreement provisions with SSA, the state remains responsible for all approval or denial notices for Medicaid, both at application and at redetermination.

Based on the information available at this time, the Welfare Division estimates any reduction in workload (staffing) or operating costs gained by having SSA determine eligibility for Medicaid cases would be offset by continued case processing and the costs of collecting information for other Medicaid programs (Prior Med, QMB) and/or the Food Stamp program.

The fiscal note includes:

FY 04	Programming costs for system changes	\$ 100,500
	Increased MAABD recipient cost	\$1,635,775
FY05	Ongoing system maintenance FY05 and each fiscal year thereafter	\$ 8,040/yr
	Increase MAABD recipient cost	\$1,707,875
Future Biennia		\$3,431,830

It is important to note the fiscal note provides a maximum estimate of increased Medicaid costs. There are two schools of thought regarding whether all individuals would actually access benefits. Some believe every SSI recipient no

currently receiving Medicaid assistance would access benefits. Others believe SSI recipients not currently receiving Medicaid are not, due to the fact they are not accessing services, and that service providers would be assisting in the enrollment of these individuals upon accessing services (i.e., hospitals, physicians and pharmacies).

We would be pleased to answer any questions the committee may have.