

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	5 - 0 - 0
Yeas:	Kruse, Monnes Anderson, Telfer, Verger, Morrisette
Nays:	0
Exc.:	0
Prepared By:	Jennifer Kellar, Administrator
Meeting Dates:	1/28

WHAT THE MEASURE DOES: Removes the three-year limit and aligns statute with federal law regarding the period that the Department of Human Services must look back to determine whether an individual has made a disqualifying transfer of assets, causing the individual to be ineligible for Medicaid long term services.

ISSUES DISCUSSED:

- Removal of section relating to asset transfers

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Deficit Reduction Act of 2005 changed federal law regarding the look-back period for individuals applying for Medicaid. The look-back period refers to a minimum period of time, under federal law, during which the Department of Human Services (DHS) must consider whether a person made a disqualifying transfer of assets before applying for Medicaid. If an individual transferred assets that would disqualify him/her and this transfer occurred during the look-back period, then the individual could not qualify for Medicaid long term services until the individual has served an ineligibility period. The ineligibility period must take place during a time period when the individual would have been otherwise eligible for Medicaid, but for the transfer. The length of the ineligibility period must be commensurate with the value of the asset that was transferred.

Prior to the Deficit Reduction Act, the period of time in state statute and in federal law was three years for most assets and five years for trusts created by the individual. Since its passage, the Deficit Reduction Act requires a five year look-back period for senior and people with disabilities asset transfers. Senate Bill 164 removes the reference to a specific number of years so that it is consistent with any federal length of look-back period and allows flexibility for adjusting to any subsequent federal law changes.