

N.C. GENERAL ASSEMBLY LEGISLATIVE FISCAL NOTE

Fiscal Research
733-4910

Prepared By: Nina Yeager	Date Prepared: 6/15/89	Bill No.: H 655	Edition:
Approved By: Tom L. Covington TOMC	JUNE 19, 1989	Sponsor: Rep. Sidney Locks	
Short Title: Medicaid/Spousal Responsibility			

TYPE OF FISCAL IMPACT	FUNDS AFFECTED:		() Other:
	(X) General	() Highway	() Local
	County/		
	State Gov't	Local Gov't	
	State Fiscal Impact		
		FY 89-90	FY 90-91
No Fiscal Impact () ()	State Total Req'ments		4,700,000 6,000,000
	Receipts/Revenues		3,431,000 4,380,000
Increase Expenditure (X) (X)	Net State Expend./Rev.		1,260,000 1,620,000
FUNDS BUDGETED IN CONTINUATION BUDGET;			
Decrease Expenditure () ()	Local Fiscal Impact		
		FY	FY FY
Increase Revenue () ()	Local Total Req'ments		4,700,000 6,000,000
	Receipts/Revenues		4,465,000 5,700,000
Decrease Revenue () ()	Net Local Expend./Rev.		235,000 300,000
No Add'l State Approp. Required	No. of Positions		

Description of Legislation

1. Summary of Legislation

This bill repeals legislation enacted by the General Assembly in 1979 which required that the income and financial resources of the spouse of a long term care patient be counted for 180 days toward the patients eligibility for medical assistance.

The federal Medicare Catastrophic Health Care Act of 1988 mandates that state Medicaid programs provide for a larger share of a couples income and assets to be protected for the spouse remaining at home when the partner must be placed in a nursing home. Under current law, the at home spouse may retain up to the state's medically needy income level, which is \$242 per month in North Carolina. Under the federal catastrophic Health Care Act an at home spouse may retain 122% of the federal poverty level in 89-90

(\$786/mo) and 133% of the federal povety level in 90-91. These income thresholds increase annually until 1992-93 when they reach 150% of the federal poverty level.

- 2. Effective Date 7/1/89
- 3. Fund or Tax Affected General Fund
- 4. Principal Department/Program Affected Department of Human Resources, Division of Medical Assistance

Cost or Revenue Impact on State

	FY 88-89	FY 89-90	FY
1. Non-Recurring Costs/Revenues			
2. Recurring Costs/Revenues	1,260,000	1,620,000	
3. Fiscal/Revenue Assumptions	FUNDS BUDGETED IN CONTINUATION; NO APPROPRIATION REQUIRED		

Medicaid Program will pay a larger portion of the long term care patient's nursing care Bill for those couples affected by this change.

- 1. FY 89-90: 868 couples affected
FY 90-91: 916 couples affected
- 2. Estimated loss of spenddown or deductible to the Medicaid Program per couple: \$545 average per month.

FUNDS FOR THIS MANDATORY CHANGE HAVE BEEN BUDGETED INTO THE CONTINUATION BUDGET FOR FY 89-90 AND FY 90-91. THERE IS NO NEED FOR AN ADDITIONAL APPROPRIATION AT THIS TIME.

Repeal of the statute has been requested by the Department of Human Resources because federal law has superceded this statute.

Cost/Revenue Impact on County or Local Government

	FY 88-89	FY 89-90	FY
1. Non-Recurring Costs/Revenues			
2. Recurring Costs/Revenues	235,000	300,000	

3. Fiscal/Revenue Assumptions

Sources of Data for Fiscal Note

Department of Human Resources, Division
of Medical Assistance

Technical Considerations/Comments



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