



1997 SENATE BILL 1

January 15, 1997 - Introduced by Senators PLACHE, MOEN, BRESKE, WINEKE, WIRCH, RISSER, CHVALA, GROBSCHMIDT, CLAUSING, SHIBILSKI, BURKE and C. POTTER, cosponsored by Representatives MURAT, BLACK, VANDER LOOP, CULLEN, R. YOUNG, BALDWIN, R. POTTER, TURNER, BOYLE, NOTESTEIN, GRONEMUS, BAUMGART, J. LEHMAN and MEYER. Referred to Committee on Health, Human Services, Aging, Corrections, Veterans and Military Affairs.

- 1 **AN ACT to repeal** 49.455 (4) (d), 49.455 (6) (b) 1m. and 49.455 (6) (b) 2.; **to amend**
2 49.455 (6) (b) 1.; and **to repeal and recreate** 49.455 (4) (c) of the statutes;
3 **relating to:** spousal impoverishment under the medical assistance program.

Analysis by the Legislative Reference Bureau

Under current law, after a married person who is institutionalized either in a medical institution or a nursing home (institutionalized spouse) is determined to be eligible for medical assistance (MA), the department of health and family services (DHFS) must determine the amount of the institutionalized spouse's income that must be applied monthly to payment for the costs of care in the institution. In making that determination, DHFS must deduct certain amounts from the institutionalized spouse's income, including a monthly income allowance for the spouse, referred to as the community spouse, of the institutionalized spouse. Currently, the monthly income allowance equals the lesser of the following:

1. One-twelfth of 200% of the poverty line for a family of 2 persons plus an excess shelter allowance.
2. The amount of \$1,500 increased by the same percentage as the percentage increase in the consumer price index between September 1988 and September of the year before the year involved.

Under this bill, the monthly income allowance equals \$1,500 increased by the same percentage as the percentage increase in the consumer price index between September 1988 and September of the year before the year involved.

Currently, an institutionalized spouse may transfer an amount of resources equal to the community spouse resource allowance to, or for the sole benefit of, the

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community spouse without becoming ineligible for MA as a result of the transfer. Under current law, the community spouse resource allowance equals the amount by which the amount of resources otherwise available to the community spouse is exceeded by the greatest of the following:

1. The amount of \$12,000 increased by the same percentage as the percentage increase in the consumer price index between September 1988 and September of the year before the year involved.
2. Fifty thousand dollars.
3. The lesser of the following:
 - a. One-half of the total value of the ownership interest of both spouses in resources as of the beginning of the first continuous period of institutionalization.
 - b. The amount of \$60,000 increased by the same percentage as the percentage increase in the consumer price index between September 1988 and September of the year before the year involved.
4. The amount established in a fair hearing.
5. The amount transferred under a court order.

This bill modifies the community spouse resource allowance. Under the bill, the community spouse resource allowance equals the amount by which the amount of resources otherwise available to the community spouse is exceeded by the greatest of the following:

1. The amount of \$60,000 increased by the same percentage as the percentage increase in the consumer price index between September 1988 and September of the year before the year involved.
2. The amount established in a fair hearing.
3. The amount transferred under a court order.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 49.455 (4) (c) of the statutes is repealed and recreated to read:
2 49.455 (4) (c) In any year, the minimum monthly maintenance needs allowance
3 is \$1,500 increased by the same percentage increase as the percentage increase in
4 the consumer price index between September 1988 and September of the year before
5 the calendar year involved.

6 **SECTION 2.** 49.455 (4) (d) of the statutes is repealed.

7 **SECTION 3.** 49.455 (6) (b) 1. of the statutes is amended to read:

