

Legislative Analysis



MEDICAID ELIGIBILITY

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Senate Bill 838

Sponsor: Sen. Bob Emerson

Committee: Appropriations

Complete to 2-22-06

A SUMMARY OF SENATE BILL 838 AS PASSED BY THE SENATE 2-15-06

Senate Bill 838 would amend the Social Welfare Act by eliminating the provision that defines caretaker relatives and 19 and 20 year-olds who meet certain requirements as medically indigent, and therefore, categorically eligible for Medicaid. The bill replaces references to categorical Medicaid eligibility for 19 and 20 year-olds, and caretaker relatives with language that eligibility would be subject to Title XIX eligibility standards for optional groups, subject to limitations imposed by the Director according to Title XIX.

Under federal Medicaid law there are certain population groups that states are required to include in their Medicaid programs in order to qualify for federal matching funds. In addition, the federal government also provides matching funds to states that elect to provide coverage for certain other populations beyond those that are mandated.

Michigan currently provides Medicaid coverage to 19 and 20 year-olds at or below 50% of the federal poverty level and to Medicaid caretaker relatives, both of which are optional groups. Caretaker relatives include individuals who care for children who are not their own, but are related to, and whose income is low enough to meet the cash welfare assets and income standards. There are approximately 13,000 individuals that make up the 19 and 20 year-old optional group and 42,700 caretaker relative eligibles.

The FY 2005-06 Department of Community Health budget, as passed by the Legislature, assumes savings to be generated by freezing enrollment for 19 and 20 year-olds and by limiting benefit coverage for both 19 and 20 year-olds and caretaker relatives. In June 2005 DCH staff submitted a waiver to the federal government seeking to limit benefits for these two groups. To date this waiver has not yet been approved.

FISCAL IMPACT: Savings of \$11.4 million Gross (\$4.9 million GF/GP) were assumed with passage of the FY 2005-06 DCH budget due to implementation of an enrollment freeze for 19 and 20 year-olds and reduced coverage for both the 19 and 20 year-olds as well as the caretaker relative populations. The potential savings for FY 2005-06 are dependent on when the waiver is approved.

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