



04-04-14 10:03:11 AM

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
BUDGET OFFICE
One Capitol Hill
Providence, R.I. 02908-5886

Memorandum

To: The Honorable Raymond Gallison
Chairman, House Finance Committee

The Honorable Daniel DaPonte
Chairman, Senate Finance Committee

From: Thomas A. Mullaney *Thomas A. Mullaney*
Executive Director/State Budget Officer

Date: April 3, 2014

Subject: Amendments to the FY 2015 Appropriations Act (13-H-7133)

The Governor requests that Article 25 – Relating to Medical Assistance and Section 3 of Article 27 – Relating to Medical Assistance Recoveries be replaced with the attached versions. The specific statutory purpose(s) and policy rationales underlying these amendments are set forth below.

Article 25 – Relating to Medical Assistance

The Governor requests that Section 1 of Article 25, Relating to Medical Assistance, be withdrawn in its entirety. This section proposes new language within RIGL 40-5.2-21 that conditions all Transitional Medical Assistance (TMA) coverage on the availability of federal financial participation pursuant to Title XIX of the Social Security Act, thereby safeguarding the State in the event that the TMA program is not reauthorized by Congress. Subsequent to the submission of the Governor's FY 2015 Appropriations Act, however, the Executive Office of Health and Human Services determined that Section 1 is more appropriately placed within a series of (forthcoming) recommended revisions to the statutes governing both the Executive Office and the Medical Assistance program. These recommendations are outside the scope of the budget process.

In addition, in Section 3, The Rhode Island Medicaid Reform Act of 2008, on page 236, Line 19, the Governor requests that "2014" be replaced with "2015" to correct a typographical oversight.

Article 27 – Relating to Medical Assistance Recoveries

The Governor requests that the entirety of Section 3 of Article 27, Relating to Medical Assistance Recoveries, be replaced with the attached version. As submitted, Section 3 adds a new section to the General Laws, RIGL 40-8-3.1, providing that as a condition of eligibility for Medical Assistance, every applicant or recipient who owns a Life Estate with Powers in property, with retained rights to revoke, amend or re-designate the remainderman, must exercise those rights by conveying the property back to himself or herself. Effectively, this provision bars any individual owning a Life Estate with Powers Deed (a “Lady Bird Deed”) from accessing services under the Medical Assistance program.

Following recent deliberations with various stakeholders, the Executive Office of Health and Human Services proposes a somewhat less restrictive policy designed to achieve the original objectives of Article 27. In the attached replacement section, eligibility for Medical Assistance is not fully precluded due to the applicant’s ownership of a Life Estate with Powers Deed. Instead, it requires that a Medical Assistance applicant or recipient owning such a deed must convey all outstanding remainder interest in the real property (in this case, the primary residence) back to himself or herself in order for the property to be treated as an excluded resource for purposes of eligibility determination.

Please also note that the legal term “remainderman” has been replaced with the (synonymous) term “holder(s) of the remainder interest”, which is more prevalent throughout the General Laws.

If you have any questions regarding these amendments, please feel free to call me or my staff at 222-6300.

TAM:14-Amend-25/27

Attachments

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Steve Hartford, Director of Policy
Richard Licht, Director of Administration
Peter Marino, Director, Office of Management and Budget
Daniel Orgel, Principal Budget Analyst

