CAHCF/CCAL

Connecticut Association of Health Care Facilities
Connecticut Center for Assisted Living

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Written testimony of Matthew V. Barrett, President and CEO of the Connecticut Association of Health Care Facilities / The Connecticut Center for Assisted Living (CAHCF/CCAL): H.B. No. 7167 (RAISED) AN ACT AUTHORIZING THE USE OF MILLER TRUSTS TO OBTAIN MEDICAID ELIGIBILITY.

This bill directs the Connecticut Department of Social Services to amend Connecticut's Medicaid state plan to allow a Medicaid applicant to utilize a "Miller Trust" to transfer excess income for the purpose of reducing income to a level that allows the applicant to become eligible for Medicaid. The bill defines a "Miller Trust" as "a qualifying income trust that allows a Medicaid applicant to meet program income eligibility guidelines on an earlier date by holding excess income that may be used for certain qualifying expenses, including, but not limited to, a spousal allowance, a personal needs allowance, medical expenses owed by the applicant after the applicant is determined income-eligible for Medicaid and Medicaid expenses owed following the death of the applicant."

Qualified Income Trusts (QIT) of this type are permitted under federal Medicaid law in certain states and are intended for individuals who have an income greater than allowed under Medicaid rules, yet don't have enough income to pay for long term care. When a trust of this type is created, an individual's excess income is directly deposited each month into the trust account. By this action, the excess income is no longer considered in the Medicaid eligibility determination, however, the excess income deposited in the account can only be used to pay medical bills and care costs, such as nursing home bills and Medicare premiums, or other restrictions prescribed by states. Accordingly, Miller's Trust are apparently a Medicaid planning tool used in State's that do not otherwise have policies to establish Medicaid eligibility when a Medicaid applicant's income exceeds the state's Medicaid income threshold.

Connecticut Medicaid program has rules allowing an applicant to qualify for Medicaid by "spending down" excess monthly income on medical care. Moreover, such Medicaid income spenddown provisions are common in Connecticut's long term care Medicaid eligibility determination process. Under these rules, during the eligibility determination process, an "applied income" amount is determined and represents the share of the applicant's income, typically the applicant's social security or other pension income that will directly to a skilled nursing facility toward the cost of care, and thus reducing the amount of Medicaid resources directed to the cost of care.

For these reasons, amending Connecticut's Medicaid state plan to authorize the use of a Miller's Trust would not appear to have value for individuals seeking eligibility for Medicaid – funded long term care in Connecticut.

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