

HOUSE BILL No. 1236

DIGEST OF INTRODUCED BILL

Citations Affected: IC 12-15.

Synopsis: Medicaid payments for life insurance premiums. Allows the state to use federal or state Medicaid funds for life insurance expenditures for a Medicaid recipient or applicant who assigns the life insurance policy to the state or makes the state a beneficiary of the life insurance policy. Provides that the value of a life insurance policy that is assigned to the state or makes the state a beneficiary shall be disregarded in determining the applicant's or recipient's eligibility for Medicaid.

Effective: July 1, 2002.

Brown T

January 10, 2002, read first time and referred to Committee on Rules and Legislative Procedures.

C
o
p
y



Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

C
o
p
y

HOUSE BILL No. 1236



A BILL FOR AN ACT to amend the Indiana Code concerning Medicaid.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 12-15-1-20 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2002]: **Sec. 20. To the extent allowed by federal law, the office**
4 **may use federal or state funds under the Medicaid program to pay**
5 **the premiums and other expenses related to a life insurance policy**
6 **that:**

- 7 (1) **is owned by an applicant or a recipient; and**
- 8 (2) **either:**
 - 9 (A) **is assigned to the state; or**
 - 10 (B) **makes the state a beneficiary in an irrevocable election.**

11 SECTION 2. IC 12-15-3-1, AS AMENDED BY P.L.128-1999,
12 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2002]: Sec. 1. (a) Except as provided in subsection (b) **and**
14 **section 7 of this chapter**, an applicant for or recipient of Medicaid is
15 ineligible for assistance if the total cash value of money, stock, bonds,
16 and life insurance owned by:

- 17 (1) the applicant or recipient is more than one thousand five



1 hundred dollars (\$1,500) for assistance to the aged, blind, or
 2 disabled; or

3 (2) the applicant or recipient and the applicant's or recipient's
 4 spouse is more than two thousand two hundred fifty dollars
 5 (\$2,250) for medical assistance to the aged, blind, or disabled.

6 (b) In the case of an applicant who is an eligible individual, a
 7 Holocaust victim's settlement payment received by the applicant or the
 8 applicant's spouse may not be considered when calculating the total
 9 cash value of money, stock, bonds, and life insurance owned by the
 10 applicant or the applicant's spouse.

11 SECTION 3. IC 12-15-3-2, AS AMENDED BY P.L.128-1999,
 12 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2002]: Sec. 2. (a) **Except as provided in section 7 of this**
 14 **chapter**, if the parent of an applicant for or a recipient of assistance to
 15 the blind or disabled who is less than eighteen (18) years of age owns
 16 money, stock, bonds, and life insurance whose total cash value is more
 17 than one thousand five hundred dollars (\$1,500), the amount of the
 18 excess shall be added to the total cash value of money, stock, bonds,
 19 and life insurance owned by the applicant or recipient to determine the
 20 recipient's eligibility for Medicaid under section 1 of this chapter.

21 (b) However, a Holocaust victim's settlement payment received by
 22 the parent of an applicant for or a recipient of assistance may not be
 23 added to the total cash value of money, stock, bonds, and life insurance
 24 owned by the applicant or recipient to determine the recipient's
 25 eligibility for Medicaid under section 1 of this chapter.

26 SECTION 4. IC 12-15-3-5 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. **Except as provided**
 28 **in section 7 of this chapter**, the office may set the total cash value of
 29 money, stock, bonds, and life insurance that an applicant for or a
 30 recipient of Medicaid may own without being ineligible for Medicaid
 31 in cases not described in section 1 of this chapter.

32 SECTION 5. IC 12-15-3-7 IS ADDED TO THE INDIANA CODE
 33 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
 34 1, 2002]: Sec. 7. (a) **The total value of a life insurance policy owned**
 35 **by an applicant or a recipient may not be considered as a resource**
 36 **in determining the applicant's or recipient's eligibility for Medicaid**
 37 **if the applicant or recipient:**

38 (1) makes an irrevocable election to name the state as the
 39 beneficiary of the life insurance policy; or

40 (2) assigns the insurance policy to the state.

41 (b) **The state has an insurable interest in an applicant or**
 42 **recipient who assigns a life insurance policy to the state or names**

C
o
p
y



1 **the state as beneficiary of the life insurance policy under this**
2 **section.**

C
o
p
y

