

# HCFE LEGISLATIVE SUMMARY

January 21, 1981

On December 28, 1980, the President signed into law H.R. 8406, a bill "To amend title XVIII of the Social Security Act to provide for Medicare coverage of pneumococcal vaccine and its administration". It is now P.L. 96-611. Both the House and the Senate acted upon the bill in the final days of the 96th Congress. It was introduced in the House on December 2. Final passage occurred in both chambers on December 13.

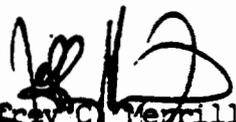
This bill contains several provisions that affect the Medicare and Medicaid programs. It also includes sections pertaining to adoption assistance and foster care, prevention of parental kidnapping, and child support audits.

The provisions of P.L. 96-611 that modify or affect the Medicare and Medicaid programs are the following:

- o Coverage of pneumococcal vaccine and its administration under Medicare.
- o Limitation of SSI and Medicaid eligibility for those who dispose of assets at less than fair market value.

Brief summaries of these provisions of P.L. 96-611 are attached.

Effective dates are noted for each.

  
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Director, Office of Legislation  
and Policy

Attachment

1. Coverage under Medicare for Pneumococcal Vaccine and Its Administration.

Present Law

No coverage

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Section 7 provides coverage under Part B of Medicare for pneumococcal vaccine and its administration. Payments will be made at 100 percent of the reasonable charge. No deductible or coinsurance will apply.

Effective date: July 1, 1981.

2. Limits on SSI and Medicaid Eligibility for Those Who Dispose of Assets for Less Than Fair Market Value

Present Law

Under the Supplemental Security Income (SSI) program, an individual who disposes of or transfers a resource prior to filing for benefits is not denied eligibility even though he/she would have been ineligible if the resource were retained. Since there is no prohibition against transfer of assets in the SSI program, States which cover all SSI (title XVI) beneficiaries under their Medicaid programs may not place restrictions on their covered aged, blind, and disabled population. Only those States which have exercised the option to restrict eligibility under Section 1902(f) of the Social Security Act, and had a transfer of assets prohibition in place in January 1972, may use this prohibition in determining Medicaid eligibility for the aged, blind, and disabled.

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Section 5 provides that in determining the resources of an applicant for SSI benefits there shall be included any resources or interests given away or sold for less than fair market value. The value of the transferred asset less any compensation received for it will be considered available for the individual's support during the two years following the transfer of the asset. Individuals will have the opportunity to rebut the presumption that the transfer was made in order to qualify for benefits.

Individuals otherwise eligible for Medicaid but who dispose of resources for less than fair market value may also be denied medical assistance. If a State chooses to establish such restrictions, then its State plan shall specify a procedure no more restrictive than that for SSI except in cases where the uncompensated value of the resource exceeds \$12,000. If the uncompensated value exceeds \$12,000, the period of ineligibility may exceed two years. The State plan must, however, provide for a period of ineligibility which bears a reasonable relationship to the uncompensated value of the transferred assets.

Effective date: for the Medicaid option, July 1, 1981