

10-208.

~~(L) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES PREMIUMS PAID FOR A LONG TERM CARE INSURANCE POLICY APPROVED UNDER TITLE 15, SUBTITLE 5 OF THE HEALTH GENERAL ARTICLE.~~

SECTION 2. AND BE IT FURTHER ENACTED, That the Department of Health and Mental Hygiene shall apply to the Secretary of Health and Human Services for the Medicaid waivers necessary to implement the provisions of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1993.

May 27, 1993

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
State House
Annapolis, Maryland 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed Senate Bill 454.

Senate Bill 454 would require local departments of social services to provide eligibility for Medicaid coverage for nursing facility care by excluding moneys in certain court-approved trusts and transfers of income when determining income for eligibility purposes. An individual could establish a trust into which he or she would place the amount of his or her income that exceeded the Medicaid eligibility standard. These trusts would only qualify the person for Medicaid eligibility if the trust met certain criteria, including the condition that the State received the corpus of the trust upon the death of the individual.

The bill attempts to address the situation in which a person would not qualify for Medicaid eligibility in a nursing home because of the person's income. This ineligibility would occur only if the State limited coverage of nursing home care through implementation of an income eligibility cap. However, because the State suspended its effort to impose a cap in 1992 and no such limitation is currently in place, the problem the bill is intended to address simply does not exist.

Maryland has experienced extraordinary increases in Medicaid enrollment and payments over the past three years. In spite of significant increases in appropriations, the Medicaid Program experienced huge budget deficits, accounting for significant portions of the State's budget shortfalls over the past two years. As a result, the Medicaid Program has been forced to make drastic cuts in services and reimbursement, including the elimination of all services for State-only recipients.

During my two terms in office, some of my most difficult decisions were those associated with the cost containment efforts of the last two years. One of the most difficult and frustrating problems encountered was attempting to make cuts in the State budget without running afoul of the many federal mandates on State expenditures. This bill