

# **CHANGE NOTICE FOR MANUAL NO. 02-12, VARIOUS CHANGES FOR 1/1/12**

**DATE: DECEMBER 21, 2011**

**Manual: Aged, Blind, and Disabled Medicaid**

**Change No: 02-12**

**To: County Directors of Social Services**

**Effective: January 1, 2012**

**Make the following change(s)**

## **I. BACKGROUND**

- A. The Division of Medical Assistance (DMA) periodically revises the average private Nursing Facility rate which is used to calculate sanctions for transfers of assets for less than fair market value. The average private Nursing Facility rate changed from \$5,500 to \$6,300 per month and from \$177 to \$210 daily.**
- B. Under section 6014 of the Deficit Reduction Act of 2005 (DRA), Medicaid will not pay for long-term care services for individuals whose equity interest in their home exceeds \$500,000. These limits are increased each year by the percentage increase in the Consumer Price Index-Urban (CPIU). Effective January 1, 2012 the excess home equity limit is \$525,000.**
- C. Section 1924 (g) of the Social Security Act contains provisions for the protection of income and resources when an institutionalized spouse (ISP) has a community spouse (CUSP). Each January 1st, there is an increase in the maximum community spouse income allowance (CSIA) and the minimum and maximum community spouse resource allowance (CSRA). This increase is a result of an increase in the Consumer Price Index. For 2012 the maximum CSIA is \$ 2,841.00, the minimum CSRA is \$ 22,728.00, and the maximum CSRA is \$113,640.00.**

**There is no change in the minimum CSIA, dependent family member allowance, or the allowance for excess shelter expenses. These amounts change in July of each year.**

**D. Medicare - Deductibles, Coinsurance and Premiums effective 1/1/2012 are:**

**1. Hospital Insurance - Part A**

- a. Deductible - \$1,156.00 per Benefit Period
- b. Coinsurance
  - (1) 61st - 90th day - \$289.00 per day
  - (2) 91st-150th Lifetime reserve days - \$578.00 per day
  - (3) Skilled Nursing Facility - \$144.50 per day for the 21st - 100th day.
- c. Part A Premium - (Paid by individuals ineligible for "free" Medicare A) \$451.00 per month if individual has less than 30 quarters of Medicare-covered employment, \$248.00 per month if individual has 30 to 39 quarters of Medicare-covered employment.

**2. Medical Insurance - Part B**

- a. Deductible - \$140.00 per year
- b. Monthly Premium - \$99.90

**E. Because of the 2012 Cost of Living Adjustments (COLA) for Social Security and the effect on the Passalong, the COLA examples and chart of reduction factors have been updated based upon the 2012 Social Security COLA.**

**F. Resources for MQB-A/B/E and Low-Income Subsidy (LIS) are updated January 1, 2012 and are \$6,940 for an individual and \$10,410 for a couple. The amounts for a partial LIS subsidy are \$11,570 for an individual and \$23,120 for a couple.**

**II. CONTENT OF CHANGE**

**A. MA-2110, Passalong**

II. F. Pickle Index for 2012 is listed.

**B. MA-2130, Qualified Medicare Beneficiaries**

II. D. Resource limits updated.

**C. MA-2231, Community Spouse Resource Protection**

- 1. II. B. 2. Community Spouse Resource Allowance (CSRA) limits updated.
- 2. II. D. 8., b., d., and e. CSRA updated in examples.

#### **D. MA-2240, Transfer Of Assets**

1. I. lists the new excess home equity value of \$525,000.
2. XII. B. 1., 2., 4., 5., and 8. updates the private Nursing Facility rates and the examples.
3. XII. C. 2., b., c., and d. updates the private Nursing Facility rates and the examples
4. XII. E. 4. c. updates the example.

#### **E. MA-2242, Home Equity Value & Eligibility For Institutional Services**

I lists the new excess home equity value of \$525,000.

#### **F. MA-2260, Financial Eligibility Regulations-PLA**

VIII. Resource limits updated.

#### **G. MA-2270, Long Term Care Need And Budgeting**

1. VI. C. 4. Community Spouse Income Allowance Updated.
2. IX. D. 3. Medicare Coinsurance Rate updated.
3. Table B Medicare Coinsurance updated.

#### **H. MA-2310, Taking the LIS Application**

III. E. LIS resource limits updated.

#### **I. MA-2311, LIS Processing and Maintenance**

1. III. C. LIS resource limits updated.
2. V. E. LIS resource limits updated.
3. VI.C. Example updated with LIS resource limit.
4. IX. Table 2 LIS resource limits updated.

## **J. MA-2360, Medicaid Deductible**

1. IV. F. 3. Medicare Part A deductible updated.
2. V. C. 1., a. and b. Medicare information updated.
3. V. C. 2. and 3. Medicare information updated.

## **K. Form DMA-5115, Notification of Right to Request a Demonstrated Hardship Waiver**

Form DMA-5115 has the new excess home equity value of \$525,000.

## **III. EFFECTIVE DATE AND IMPLEMENTATION**

**A. Apply the new average private nursing facility rate of \$6,300 when determining sanction periods for transfer of resources when the applicant/recipient requests nursing home assistance, CAP, Long Term Care or in home services on or after January 1, 2012. For application dates is prior to January 1, 2012, use the old amount of \$5,500. Apply this new rate to any transfers that occur on or after January 1, 2012 in which a recipient is not currently under sanction.**

**B. Apply the new excess home equity limit to any applications or redeterminations taken or in process on or after January 1, 2012.**

### **C. Spousal Income and Resource Protection**

1. Spousal Income Protection
  - a. Applications pending on January 1, 2012.
    - (1) Apply the previous maximum community spouse (CUSP) income protection amount to any month in the certification period prior to January 2012, including the retroactive certification period.
    - (2) Apply the new maximum CUSP income protection amount to any month in the certification period beginning January 2012 or later.
  - b. Ongoing Case Maintenance.
    - (1) Apply the previous maximum CUSP income protection amount to any month in the certification period prior to January 2012.
    - (2) Apply the new maximum CUSP income protection amount to any month in the certification period January 2012 or later.

2. Spousal Resource Protection

- a. Apply the previous CSRA amounts to any month in the certification period prior to January 1, 2012.
- b. Apply the new CSRA amounts to any month in the certification period January 1, 2012 or later.

**D. For Passalong cases, apply this policy to applications taken and redeterminations in process or taken on or after January 1, 2012.**

**E. Apply new LIS resource limits to any applications or redeterminations taken or in process on or after January 1, 2012.**

**IV. MAINTENANCE OF MANUAL**

**A. Remove: MA-2110, Passalong, pages 5 & 6**

**Insert: [MA-2110](#), Passalong, pages 5 & 6**

**B. Remove: MA-2130, Qualified Medicare Beneficiaries, pages 1 & 2**

**Insert: [MA-2130](#), Qualified Medicare Beneficiaries, pages 1 & 2**

**C. Remove: MA-2231, Community Spouse Resource Protection, pages 7-12**

**Insert: [MA-2231](#), Community Spouse Resource Protection, pages 7-12**

**D. Remove: MA-2240, Transfer of Assets, pages 1 & 2, 33 & 34, 39-42**

**Insert; [MA-2240](#), Transfer of Assets, pages 1 & 2, 33&34, 39-42**

**E. Remove: MA-2242, Home Equity Value, pages 1 & 2**

**Insert: [MA-2242](#), Home Equity Value, pages 1 & 2**

**F. Remove: MA-2260, Financial Eligibility Regulations-PLA, pages 27 & 28**

**Insert: [MA-2260](#), Financial Eligibility Regulations-PLA, pages 27 & 28**

**G. Remove: MA-2270, Long Term Care Need And Budgeting, pages 17 & 18, 31 & 32, Table B**

**Insert: [MA-2270](#), Long Term Care Need And Budgeting, pages 17 & 18, 31 & 32, Table B**

**H. Remove: MA-2310, Taking the LIS Application, pages 3 & 4**

**Insert: [MA-2310](#), Taking the LIS Application, pages 3 & 4**

**I. Remove: MA-2311, LIS Processing and Maintenance, pages 1 & 2, 5-8, 11 & 12**

**Insert: [MA-2311](#), LIS Processing and Maintenance, pages 1 & 2, 5-8, 11 & 12**

**J. Remove: MA-2360, Medicaid Deductible, pages 15 & 16, 19 & 20**

**Insert: [MA-2360](#), Medicaid Deductible, pages 15 & 16, 19 & 20**

**K. Remove: Form DMA-5115, Notification of Right to Request a Demonstrated Hardship Waiver (11/2007)**

**Insert: Form [DMA-5115](#), Notification of Right to Request a Demonstrated Hardship Waiver (01/2012)**

If you have any questions regarding this information, please contact your Medicaid Program Representative.

Craigian L. Gray, MD, MBA, JD  
Director

(This material was researched and written by John L. Benske, Policy Consultant, Medicaid Eligibility Unit)