

CHANGE NOTICE FOR MANUAL NO. 01-03, Spousal Income Protection and Transfer of Assets

DATE: **MAY 24, 2002**

Manual: Aged, Blind and Disabled Medicaid

Change No. 01-03

To: County Directors of Social Services

Effective: July 1, 2002 Make the following change(s)

I. CONTENT OF CHANGE

A. Spousal Income Protection

The following amounts for calculating the community spouse income allowance and the dependent family member allowance are revised based on the increase in the federal poverty level.

- 1. The basic spousal allowance is increased from \$1,452 to \$1,493.**
- 2. The shelter standard is increased from \$436 to \$448.**
- 3. The maximum dependent allowance is increased from \$484 to \$498.**

There is no change in the maximum community spouse income allowance of \$2,232.

B. New Amount for Determining Transfer of Resources Penalty

Federal law requires a penalty for transferring resources without receiving equivalent compensation. The penalty period is determined by dividing the value of the transferred resource by the state's average monthly private rate for nursing facility care. The amount currently used is \$3,000. This amount has not been updated since 1996. A survey was completed recently by Medicaid Program Representatives to determine the current average private nursing facility rate. Based on that survey, the average private monthly charge is \$4,200 a month.

C. Other Changes

The definition of CPI is expanded to include when the CPI ends and when the CPI continues. The CPI ends if the a/r is out of a Medicaid facility for 30 consecutive days or longer. The CPI continues when an a/r is discharged from a medical facility but returns to the medical facility within 30 days of the discharge.

II. IMPLEMENTATION

These changes are effective July 1, 2002.

A. Spousal Income Protection

1. Applications

Apply the new amounts in determining spousal income allowances and dependent family member allowances effective on or after July 1, 2002. For the months prior to July 1, 2002, use the old amounts.

2. Ongoing Cases

Rebudget ongoing cases at the first redetermination/review or change in situation effective July 1, 2002 or later.

- a. For reviews or changes in situation in process or begun on or after receipt of this change notice, use these amounts to determine the patient monthly liability effective July 1, 2002 or later. Use old amounts for months prior to July 1, 2002.
- b. For all other cases apply these amounts at the next review or change in situation.

B. New Average Private Nursing Facility Rate

Apply the new average private nursing facility rate when determining sanction periods for transfer of resources to all transfers when the application date is July 1, 2002 or later. When the application date is prior to July 1, 2002, use the old amount. Use the \$4,200 amount when the recipient requests nursing home assistance on or after July 1, 2002.

Use the old amount for any cases currently in appeal process.

III. MAINTENANCE OF MANUAL

A. Remove: MA-2270, pages 1 & 2, 9 & 10 and pages 13-16.
Insert: MA-2270, pages 1 & 2, 9 & 10 and pages 13-16 effective July 1, 2002.
Figure 6, Community Spouse Income Allowance Worksheet, effective July 1, 2002.

Online Manual: Items I. – II.A.1.d., V.C. Examples, VI.B. – VII.A.3.a.(2) and added the Community Spouse Income Allowance Worksheet, Figure 6.

B. Remove MA-2240, pages 9-10 and 15-18.
Insert attached MA-2240, pages 9-10 and 15-18 effective July 1, 2002.

Online Manual: Items VII.B.2. – VIII.A.1., IX.E.2.b. – X.D.1.c.

Please refer questions to your Medicaid Program Representative.

Nina M. Yeager
Director

[This policy was researched and prepared by Cinnamon Narron, Policy Consultant, Medicaid Eligibility Unit.]

[MA-2270](#)

[MA-2270, figure 6](#)

[MA-2240](#)