

# CHANGE NOTICE FOR MANUAL NO. 09-02, Spousal Resource and Income Protection

**DATE: NOVEMBER 26, 2001**

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

**Change No: 09-02**

**To: County Directors of Social Services**

**Effective: January 1, 2002**

## **I. BACKGROUND**

Section 1924 (g) of the Social Security Act contains provisions for the protection of income and resources when an institutionalized individual has a community spouse (CUSP). Each January 1st, there is an increase in the maximum community spouse income allowance and the minimum and maximum community spouse resource allowance. This increase is a result of an increase in the Consumer Price Index (CPI) and is based on the difference between the September 1988 CPI and the September 2001 CPI.

The Centers for Medicare and Medicaid Services (CMS) has determined that the CPI increase from September 1988 to September 2001 is 48.8 percent. This percentage was used to determine the new spousal impoverishment amounts.

There is no change in the minimum community spouse income allowance, dependent allowance, or the allowance for excess shelter expenses. These amounts change in July of each year.

## **II. POLICY PRINCIPLES**

The protection of income applies when the a/r is institutionalized and has a CUSP. In order for the CUSP to be eligible for income protection, the a/r must be budgeted long-term care. The protection of income begins the first month of long term care budgeting.

The community spouse resource allowance (CSRA) applies when the a/r is institutionalized and has a CUSP. In order for the CUSP to be eligible for resource protection, the a/r may be budgeted PLA or long-term care. The protection of resources begins the first month of the continuous period of institutionalization (CPI).

The new spousal protection amounts are as follows:

- Maximum community spouse resource allowance                      \$ 89,280
- Minimum community spouse resource allowance                      \$ 17,856

- Maximum community spouse income allowance \$ 2,232

### **III. EFFECTIVE DATE**

This change in policy is effective January 1, 2002.

### **IV. IMPLEMENTATION PROCEDURES**

#### **A. Spousal Income Protection**

1. Applications pending on January 1, 2002
  - a. Apply the new maximum CUSP income protection amount to any month in the certification period beginning January 2002 or later.
  - b. Apply the previous maximum CUSP income protection amount to any month in the certification period prior to January 2002, including the retroactive certification period.
2. Ongoing Case Maintenance
  - a. Apply the new maximum CUSP income protection amount to any month in the certification period beginning January 2002 or later for redeterminations completed on or after January 1, 2002.
  - b. Apply the previous maximum CUSP income protection amount to any month in the certification period prior to January 2002.

#### **B. Spousal Resource Protection**

1. CPI Begins On Or After January 1, 2002

Apply the new CSRA amounts to any months in the certification period beginning January 2002 or later.
2. CPI Begins Prior to January 1, 2002
  - a. Apply the previous CSRA amounts to any months in the certification period prior to January 1, 2002.
  - b. Apply the new CSRA amounts to any months in the certification period beginning January 2002 or later.

Recalculate the amount of the countable resources of the institutionalized spouse (ISP) effective January 1, 2002, by applying the new CSRA amounts. This may reduce the countable resources of the ISP effective January 1, 2002.

- (1) If the CSRA is less than \$17,856, increase the allowance to the new amount and recalculate the countable resources of the ISP.

Example: The CSRA determined prior to 1-1-02 was \$17,400. The couple's countable resources on 12-31-01 totaled \$19,610. This left \$2,210 in countable resources for the ISP ( $\$19,610 - \$17,400 = \$2,210$ ). Effective 1-01-02, increase the CSRA to \$17,856. This reduces the countable resources of the ISP to \$1,754 ( $\$19,610 - \$17,856 = \$1,754$ ). Assistance may be authorized effective 1-1-02 provided all other eligibility factors are met.

- (2) If one-half of the couple's countable resources at the beginning of the CPI is greater than the previous maximum CSRA, increase the CSRA to the new maximum amount for any months in the certification period beginning January 2002 or later. Recalculate the countable resources of the ISP based on the increased CSRA.

Example: The couple's countable resources at institutionalization totaled \$183,214. One-half of this amount was \$91,607. However, the maximum CSRA of \$87,000 was protected for the CUSP. The couple's countable resources on 12-31-01 totaled \$170,000. This left \$83,000 in countable resources for the ISP ( $\$170,000 - \$87,000 = \$83,000$ ). Effective 1-1-02, increase the CSRA to \$89,280. This reduces the countable resources of the ISP to \$80,720 ( $\$170,000 - \$89,280 = \$80,720$ ).

- c. Notify the a/r of any changes in the resource protection amount. Use the appropriate notice.

### **C. Hospital Inappropriate Level of Care Bed**

Hospital inappropriate level of care, ventilator dependent care, and swing bed rates have increased. Table A has been updated to reflect the new rates. Apply these rates to services incurred on or after January 1, 2002.

### **D. Medicare Co-Insurance and Deductibles**

The new Medicare rates apply to eligible medical services incurred on or after January 1, 2002. Table B is updated to reflect the new rates.

## **V. MAINTENANCE OF MANUAL**

- A. Remove MA-2231, pages 7-10  
Insert attached MA-2231, pages 7-10, effective 1-1-02
- B. Remove MA-2270, pages 15-16  
Insert attached MA-2270, pages 15-16, effective 1-1-02
- C. Remove MA-2270, Table i and Table ii  
Insert attached MA-2270 Table i and Table ii, effective 1-1-02

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

Nina M. Yeager  
Director

(This material was researched and written by Vanessa Broadhurst, Policy Consultant, Medicaid Eligibility Unit).

[MA-2231](#)

[MA-2270](#)

[MA-2270, Tables](#)