

CHANGE NOTICE 10-01, Spousal Income and Resource Protection

DATE: DECEMBER 5, 2000

Manual: Aged, Blind and Disabled Medicaid

To: County Directors of Social Services

Effective: January 1, 2001

Make the following change(s)

I. CONTENT OF THE CHANGE

A. Spousal Resource and Income Protection

Because of an increase in the Consumer Price Index, on which the cost of living is based, there will be a change in the maximum community spouse income allowance and in the maximum and minimum community spouse resource allowances.

Effective January 1, 2001, the new amounts are:

- Maximum community spouse resource allowance: \$87,000
- Minimum community spouse resource allowance: \$17,400
- Maximum community spouse income allowance: \$ 2,175

NOTE: The minimum community spouse income allowance is not changed.

B. Tables in MA-2270

Amounts for inappropriate level of care beds and for Medicare deductibles and co-insurance have increased.

II. EFFECTIVE DATE AND IMPLEMENTATION INSTRUCTIONS

A. Spousal Resource Protection

1. Institutionalized On Or After January 1, 2001:

Apply the new community resource allowance amounts to an assessment completed for an individual who has a community spouse and is institutionalized on or after January 1, 2001.

2. Institutionalized Prior To January 1, 2001:

- a. Apply the previous community spouse resource allowance amounts to any months prior to January 1, 2001 for which assistance with cost of long term care is requested and there was a community spouse.
- b. Apply the new community spouse resource allowance amounts to any months, January 1, 2001, or later, for which assistance with cost of long term care is requested and there was a community spouse.

Recalculate the amount of the countable resources for the institutionalized spouse (isp) effective January 1, 2001, applying the new community spouse resource allowance (csra) amounts. This will reduce the isp's countable resources effective January 1, 2001 and may make him eligible.

- (1) If the csra is less than \$17,400, increase the allowance to that amount and recalculate the isp's countable resources.

Example: The csra determined prior to 1-1-01 was \$16,824. The couple's countable resources on 12-31-00 were \$18,976. This left \$2,152 in countable resources for the isp ($18,976 - 16,824 = 2,152$). Effective 1-1-01, increase the csra to \$17,400. This lowers the isp's countable resources to \$1,576 ($18,976 - 17,400 = 1,576$). The isp's countable resources are now below the resource limit of \$2,000, and if all other eligibility criteria are met, he is eligible effective 1-1-01.

- (2) If $\frac{1}{2}$ of the couple's countable resources at the beginning of the continuous period of institutionalization is greater than \$84,120 (the maximum csra prior to 01-1-01),

increase the csra to \$87,000. Recalculate the isp's countable resources based on the increased csra.

Example: The couple's countable resources at institutionalization were \$173,214. The ½ share was \$86,607. The csra (maximum allowable amount) was \$84,120. On 12/31/00 the couple's total countable resources were \$168,172, leaving the isp with countable resources of \$84,052 ($168,172 - 84,120 = 84,052$). Effective 01-1-01, increase the csra to \$87,000. This lowers the isp's countable resources to \$81,172 ($168,172 - 87,000 = 81,172$).

- c. Notify the applicant of the new amounts.
- d. Approve the application if eligible due to the new amount of the countable reserve.

B. Income Protection

1. Applications Pending on January 1, 2001:
 - a. Apply the new maximum community spouse income allowance for any months beginning January 1, 2001.
 - b. Apply the previous community spouse income allowance for any months prior to January 1, 2001, including applications pending for retroactive coverage.
2. Ongoing Cases:

Apply the new maximum community spouse income allowance, effective the first month of the new certification period for redeterminations completed after January 1, 2001.

C. Inappropriate Level of Care Rates and Medicare Amounts

1. Apply the inappropriate Level of Care Rates upon receipt.
2. The new Medicare rates are effective for medical services provided to Medicare beneficiaries in January 2001 and later.

III. INSTRUCTIONS FOR MAINTENANCE OF THE MANUAL

A. Remove MA-2231, pages 7-10.

Insert attached MA-2231, pages 7-10.

B. Remove MA-2270, pages 15-16 and Tables pages i - ii.

Insert attached MA-2270, pages 15-16 and Tables pages i - ii.

Please direct any questions to your Medicaid Program Representative.

Paul R. Perruzzi
Director

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