TRANSMITTAL LETTER FOR MANUAL RELEASES

STATE OF MARYLAND
DEPARTMENT OF HEALTH AND MENTAL HYGIENE
OFFICE OF ELIGIBILITY SERVICES ADMINISTRATION
DIVISION OF ELIGIBILITY POLICY
201 WEST PRESTON STREET
BALTIMORE, MARYLAND 21201

410-767-1463 or 1-800-492-5231 option 2 and request extension 1463

MANUAL: Medical Assistance **EFFECTIVE DATE: July 1, 2012**

RELEASE NO: MR-156 **ISSUED: July 2012**

APPLICABILITY: Long-Term Care Eligibility

Item	Remove Pages	Insert Pages
Chapter 10-Eligibility for Institutionalized Persons	1000-21 – 1000-22	1000-21 – 1000-22
DES/LTC 812 Revised 12/10 Home Equity Value Worksheet	DES/LTC 812	After DES/LTC 811
DES/LTC 813 Revised 12/10 Manual Instructions for Screen 4/Screen 8	DES/LTC 813	After DES/LTC 812
Appendix Spousal Impoverishment Standards Excess Home Equity Limit	 Schedule MA-8 Schedule MA-10	 Schedule MA-8 Schedule MA-10

COMMENTS

Personal Needs Allowance

Effective July 1, 2012, there will be an increase in the personal needs allowance for Medical Assistance recipients in long-term care to $74 per month for individuals, and $148 per month for couples. Please apply these allowances to all applications and redeterminations on or after July1, 2012.

Excess Home Equity Limit

Beginning in 2011, the Deficit Reduction Act provides for the excess home equity limit to increase annually by 1.1 %, rounded to the nearest $1000. For 2012, the home equity limit can not exceed $525,000.

Appendix

Schedule MA-8, in the Appendix of the Manual, is updated with new Spousal Impoverishment Standards **effective July 1, 2012.** The community spouse's Basic Maintenance and Shelter Allowance and the Excess Shelter Standard are increased each year, effective July 1.

Schedule MA-10, in the Appendix of the Manual, is updated with the annual change to the Excess Home Equity Limit.

If you have any questions about these policies or procedures, contact the DHMH Division of Eligibility Policy at 410-767-1463 or 1-800-492-5231 (select option 2 and request extension 1463). Questions regarding CARES processing should be directed to Debbie Simon at 410-238-1363.

there is no remaining income in the month of admission. Consequently, the SSI recipient with no monthly income other than SSI has no income to contribute towards his/her cost of care. Beginning the second month of institutionalization, the SSI benefits are reduced to the SSI standard of $30, which is less than the MA Personal Needs Allowance. The person will continue to have nothing to contribute to his/her cost of care. Therefore, an SSI recipient in long-term care with no countable income is determined eligible in coverage group L01 with no contribution to the cost of care.

If an SSI recipient receives countable monthly income in addition to SSI benefits, the person's other monthly income is considered in order to determine the recipient's contribution to cost of care. Eligibility is determined in coverage group L98. The LDSS must require an application form to collect the information necessary to calculate the available income. *(See Policy Alert 10-08 for redetermination procedures when SSI recipients enter LTC.)*

Income that is received on a regular basis in a constant amount is considered based on documentation from the source of income. This includes benefits such as Social Security, pensions, V.A. benefits, etc. **The eligibility caseworker should set an alert to verify income that has an annual cost of living increase.**

Income that is variable in amount, or is received less frequently than once a month, is projected throughout the period under consideration based on the amounts received in the twelve months prior to the period under consideration, or on projections documented by the source of such income. This projection for the period under consideration is then converted to average monthly amounts. This type of income includes interest, dividends, one-time-only income, lump sum benefits, etc.

For current eligibility, the total monthly income equals the monthly amount of regular income plus the average monthly amount of variable income.

For a retroactive month, total monthly income is the amount actually received in the month.

Determining Monthly Available Income

To determine monthly available income, begin with the total monthly income as determined above and deduct the following, in the following order:

Effective 7/1/12

1. A **Personal Needs Allowance** of **$74** per month for an individual or **$148** for an institutionalized couple (if both spouses are institutionalized and are aged, blind, or disabled, and their income is considered available to each other in determining eligibility);

2. A **Residential Maintenance Allowance**;

3. A **Spousal Allowance**;

4. Either a **Family Allowance** for minor or dependent children, dependent parents, or dependent siblings of the institutionalized or community spouse who are residing with the community spouse; or a **Dependent Allowance**, as appropriate;

5. **Incurred expenses for medical care or remedial services** for the institutionalized spouse that are not subject to payment by a third party, including:

(a) Medicare and other health insurance premiums, deductibles or co-insurance charges; and
(b) Necessary medical care or remedial services recognized under State law but not covered under the Medical Assistance State Plan for the recipient.

The personal needs allowance is always deducted first, to ensure that the institutionalized person has this money available to him/her even if the remaining income is insufficient to cover the other deductions.

To determine which deductions are applicable and the appropriate amount of each deduction, use the following guidelines:

1. Personal Needs Allowance

This is an allowance to enable the person to meet daily living expenses in the long-term care facility that is not covered by the Program.

Effective 7/1/12

- For each institutionalized person, the allowance is **$74** per month. For an institutionalized couple, the allowance is **$148** per month.
- For a person who resides in an intermediate care facility for the mentally retarded or mental institution and receives pay for therapeutic work activities, the personal needs allowance is $100.00. If documented work expenses exceed this amount, additional allowance may be made for these up to the medically needy income limit (MNIL).

2. Residential Maintenance Allowance

This is a deduction to enable a lone person to maintain a community residence. A lone person is one who does not have a spouse or dependent children at home. This allowance is given if the person must pay expenses such as rent, mortgage, taxes or utilities in order to maintain his community residence.

NOTE: Pages 1000-23 and 1000-24 are deleted from this Manual.

Maryland Medical Assistance Program

HOME EQUITY VALUE WORKSHEET

Client's Name:_____ Client ID:_____

Local Department of Social Services/DEWS:_____

Application/Redetermination Date:_____

Date of Evaluation:_____

Owner(s):_____

_____

_____

_____

Encumbrances:_____

_____

_____

Total:_____

Fair Market Value:_____

- (Minus)

Total Encumbrances:_____

= (Equals)

Equity Value:_____

When the equity value exceeds $525,000.00 by any amount, complete and fax the DES/LTC 813 to the Division of Eligibility Programs (DREP) at (410) 333-5087 on the same day that the case is finalized on CARES to void the individual's span on MMIS recipient screen 4 for coverage of nursing facility services or on MMIS screen 8 for HCB Waiver Services.

The individual's Medicaid eligibility (MMIS screen 1) is not affected.

Maryland Medical Assistance Program

MANUAL MMIS INSTRUCTIONS FOR SCREEN 4 / SCREEN 8

When a penalty has been calculated using the DES/LTC 811 form, please complete this document and fax a copy to the Division of Recipient Eligibility Programs (DREP) at (410) 333-5087.

Timely submission of this form will ensure that MMIS recipient screen 4 (LTC) or MMIS recipient screen 8 (Waiver) is closed during the client's penalty period.

Client's Name:_____ Client ID:_____ AU ID:_____

Social Security Number:_____ Date of Birth:_____

Penalty Begin Date:_____ Penalty End Date:_____

[FOR MMIS USE ONLY] Closing/Termination Code: _____

MANUAL HOME EQUITY INSTRUCTIONS FOR SCREEN 4/SCREEN 8

When the total equity value exceeds $525,000.00 by any amount, after completing the DES/LTC 812 form, fax this form to DREP at (410) 333-5087 to void Screen 4/Screen 8.

Client's Name:_____ Client ID:_____ AU ID:_____

Social Security Number:_____ Date of Birth:_____ Date of Ineligibility:_____

[FOR MMIS USE ONLY] Closing/Termination Code:_____

Case Manager:_____ District Office:_____Telephone Number:_____

YOU MUST RETAIN A COPY OF THIS FORM IN THE CLIENT'S CASE RECORD

Schedule MA-8

Spousal Impoverishment Standards

	Resources	Effective
Maximum Spousal Share	$113,640	1/1/12
Minimum Spousal Share	$ 22,728	1/1/12

	Income	Effective
Basic Maintenance and Shelter Allowance	$1,892	7/1/12
Excess Shelter Standard	$ 568	7/1/12
Maximum Maintenance and Shelter Allowance (sum of Basic Maintenance and Shelter Allowance and Excess Shelter Allowance)	$2,841	1/1/12
Utility Standards: (used to compute the community spouse's excess shelter allowance)		
Heat included in rent (LUA) (Food Stamps limited utility allowance)	$ 237	4/1/12
Heat paid separately from housing (SUA) (Food Stamps standard utility allowance)	$ 394	4/1/12

Schedule MA-10

Excess Home Equity Limit
For Exclusion of Long-Term Care Coverage

Excess Home Equity Limit	Effective Date
$525,000	2012