



COMMONWEALTH of VIRGINIA

DEPARTMENT OF SOCIAL SERVICES

June 23, 2006

MEDICAID MANUAL – VOLUME XIII

TRANSMITTAL #84

The following acronyms are used in this transmittal:

- ADAPT – Application Benefit Delivery Automation Project
- ABD – Aged, Blind or Disabled
- AC – Aid Category
- CPU – Central Processing Unit
- CSRA – Community Spouse Resources Allowance
- DMHMRSAS – Department of Mental Health Mental Retardation and Substance Abuse Services
- DRA – Deficit Reduction Act of 2005
- DSS – Department of Social Services
- FAMIS – Family Access to Medical Insurance Security
- F&C – Families and Children
- FPL – Federal Poverty Level
- FPS – Family Planning Services
- LDSS – Local Department of Social Services
- LTC – Long-term Care
- MMIS – Medicaid Management Information System
- MN – Medically Needy
- PD – Program Designation
- QDWI – Qualified Disabled and Working Individuals
- RR – Railroad Retirement
- SS – Social Security
- SSA – Social Security Administration
- SSI – Supplemental Security Income
- SSN – Social Security Number

The attached Medicaid Transmittal #84 contains new, updated, revised, and clarified policy as outlined below.

New policy

This transmittal contains the new policy required by the DRA of 2005, regarding the following eligibility requirements:

1. Verification of the citizenship and identity of all applicants and recipients, regardless of age, except for certain newborns born to Medicaid-enrolled mothers;
2. A life estate interest in real property counts as a resource to the applicant or recipient unless the life estate interest is in property that serves as the individual's principal place of residence;
3. An individual's entrance fee in a continuing care retirement community or life care community that collects an entrance fee upon admission may be a countable resource in some circumstances;
4. For Medicaid payment of LTC, substantial home equity, defined as equity in home property that exceeds \$500,000, will make the home owner ineligible for Medicaid payment of LTC services, unless the home is occupied by a spouse, dependent child under age 21, or a blind or disabled child of any age;
5. For Medicaid payment of LTC, the asset transfer policy has changed for transfers made on or after February 8, 2006. The following asset transfer policies are changed for these transfers:
 - a. Look-back date and period;
 - b. Begin date of the penalty period for LTC payments;
 - c. Penalty period calculation;
 - d. Undue hardship for uncompensated asset transfer;
 - e. Annuities established on or after February 8, 2006;
 - f. Promissory notes, loans or mortgages established on or after February 8, 2006.

Updates to policy

This transmittal contains the July 1, 2006, increases in the LIFC 185%, F&C and MN income limits, and the increased Community Spouse Monthly Maintenance Needs Standard and Excess Shelter Allowance for married institutionalized individuals that are effective July 1, 2006. The income limits will be updated in ADAPT. If a renewal for a married institutionalized individual with a community spouse is processed on or after July 1, 2006, and the change in the standards decreases the patient pay amount, adjust the patient pay to reflect any overpayments using the procedures in M1470.900 C.1.

Clarifications of policy

This transmittal includes clarifications of the following policy: the exemption of the SSN requirement for illegal or undocumented aliens only; the criteria for granting the student earned income exclusion; treatment of resources for an SSI recipient; resource assessment and CSRA policy and examples; and the procedures for transferring cases between the LDSS and FAMIS CPU, which was contained in Broadcast #3690.

Effective date

The new policy is effective for all eligibility determinations started or completed on or after July 1, 2006. It is applicable to applications and renewals processed on or after July 1, 2006, regardless of application date. Do not review any applications or renewals processed and completed before

July 1, 2006 for the new policy unless a change is reported in the case before the next scheduled renewal.

The policy clarifications, revisions and updates contained in this transmittal are effective for all eligibility determinations completed on or after July 1, 2006.

Remove and Destroy Pages	Insert Attached Pages	Significant Changes
Subchapter M0110 pages 1-4	Subchapter M0110 pages 1-4a	Page 1 is a reprint. On pages 2 and 3, clarified release of information policy. On pages 4 and 4a, revised section lettering.
Subchapter M0130 pages 3-6	Subchapter M0130 pages 3-6	Page 3 is a reprint. On page 4, removed citizenship for children under age 19 from the list of eligibility requirements that do not require verification. On page 5, added citizenship and identity to the list of requirements that require verification, and clarified illegal aliens not required to provide or apply for an SSN. Page 6 is a runover page.
Subchapter M0220 Table of Contents pages 1-4	Subchapter M0220 Table of Contents pages 1-4j Appendix 7 Appendix 8 Appendix 9 Appendix 10	Updated the Table of Contents. Page 1 is a reprint. On pages 2-4h, added new policy regarding verification of citizenship and identity of all Medicaid applicants and recipients except newborns. Pages 4i and 4j are runover pages. Added Appendices 7, 8 and 9, containing the new affidavits. Added Appendix 10, contact information for citizenship and identity documents.
Subchapter M0310 pages 11, 12	Subchapter M0310 pages 11, 12	Page 11 is reprinted. On page 12, added a note to the dependent child definition that the school enrollment policy does not apply to deciding the student earned income exclusion.
Subchapter M0320 pages 19, 20 pages 23, 24 pages 50a-50c	Subchapter M0320 pages 19, 20 pages 23, 24 pages 50a-50c	On page 19, clarified text. Pages 19 and 23 are reprinted. On pages 20 and 24, clarified when a QSII or SSI recipient does not have a type

Remove and Destroy Pages	Insert Attached Pages	Significant Changes
		of listed real property resource, resources are not evaluated. On page 50a, clarified that pregnant women are eligible for FPS for 12 months from the end of pregnancy, regardless of income changes, and that their eligibility must be redetermined at 12 months. Page 50b is a runover page. On page 50c, changed “PD” to AC” and updated the AC codes.
Subchapter M0710 Appendix 1 Appendix 3, pages 1, 2 Appendix 5	Subchapter M0710 Appendix 1 Appendix 3, pages 1, 2 Appendix 5	Updated the LIFC 185% income limit in Appendix 1. Updated the F&C income limits on pages 1 and 2 in Appendix 3. Updated the MN income limits in Appendix 5.
Subchapter M0720 pages 11, 12	Subchapter M0720 pages 11, 12	On pages 11 and 12, clarified the student earned income exclusion by defining who is a student.
Subchapter M0810 pages 1, 2	Subchapter M0810 pages 1, 2	Page 1 is reprinted. On page 2, updated the MN income limits.
Subchapter M0830 pages 27, 28	Subchapter M0830 pages 27, 28	On pages 27 and 28, clarified when RR benefits are SSA Title II benefits and how to verify them.
Subchapter M1110 pages 13-16	Subchapter M1110 pages 13-16	Pages 13 and 16 are reprints. On page 14, added new policy: life estate in real property is not counted as a resource when the property serves as the principle place of residence. Life rights to real property are a countable resource when the property no longer serves as the individual’s place of residence. On page 15, corrected the manual reference in item C.3.
Subchapter S1120 Table of Contents page 29	Subchapter S1120 Table of Contents page 29	Updated the Table of Contents. On page 29, added policy clarifying the treatment of reverse mortgages.

Remove and Destroy Pages	Insert Attached Pages	Significant Changes
Subchapter S1130 pages 23, 24	Subchapter S1130 pages 23, 24	Page 23 is a reprint. On page 24, clarified how burial space items are evaluated.
Subchapter S1140 Table of Contents pages 5, 6 pages 11, 12 pages 25-28	Subchapter S1140 Table of Contents pages 5, 6 pages 11, 12 pages 25-28	Updated the Table of Contents. Pages 5, 25 and 28 are reprints. On page 6, corrected the reference to the Appendix in item C.1. On pages 11 and 12, added the new life estate policy for all ABD covered groups except QDWI. On page 26, clarified policy for annuities. On pages 26a and 26b, clarified promissory note, loan or mortgage policy. On page 27, added new policy section about the treatment of continuing-care or life-care retirement community entrance fees.
Chapter M14 Table of Contents	Chapter M14 Table of Contents	Updated the Table of Contents for Chapter M14.
Subchapter M1440 pages 13, 14	Subchapter M1440 pages 13, 14	On page 13, added several covered services to the list of services available under the Mental Retardation Waiver. Page 14 is a reprint.
Subchapter M1450 Table of Contents pages 1-46	Subchapter M1450 Table of Contents pages 1-40 Appendix 1 Appendix 2 Appendix 3	Updated the Table of Contents; renumbered most sections, added new sections. On page 1, added DRA 2005 to the legal base. On page 2, added life rights in another person's home and funds used to purchase a promissory note, loan, or mortgage, to the asset definition. On page 3, changed a section number in a reference. On page 4, clarified the institutionalized individual definition and designated sections within the "look-back" date definition. On page 5, added new policy to the look-back and

Remove and Destroy Pages

Insert Attached Pages

Significant Changes

look-back period definitions. On page 6, added an explanation of the organization of the remaining subchapter, added a procedure for transfers that occurred prior to August 11, 1993, and redesignated reference section numbers. On page 7, renumbered and renamed the section to reflect the new policy for transfers that occurred on or after February 8, 2006. On page 8, added the new section for transfers that occurred on or after February 8, 2006. Page 9 is a runover page. On page 10, changed the number of months retroactive SSI and SS payments are not considered assets. Pages 11 and 12 are runover pages. On pages 13 and 14, changed reference section numbers. On page 15, added new policy regarding transfers into annuities, and transfers made on or after February 8, 2006 with cumulative value less than or equal to \$4,000. On page 16, changed section references. On page 17, changed a section number and title. On page 18, clarified that the annuity policy in the section applies only to annuities purchased before February 8, 2006. On page 19, added new policy section about purchase of an annuity on or after February 8, 2006. On page 20, added new policy section for purchase of promissory note, loan or mortgage on or after February 8, 2006. Pages 21, 22 and 23 are runover pages. On pages 24 and 25, added new section and new policy for undue hardship claim. Pages 26 through 28 are runover pages. On page 29, changed section reference. On page 30, renamed and renumbered section.

Remove and Destroy Pages

Insert Attached Pages

Significant Changes

Subchapter M1460
Table of Contents
pages 3-8

Subchapter M1460
Table of Contents
pages 3-8a

On page 31, changed a section reference. Pages 31 and 33 are runover pages. On page 32, changed dates in the example. On pages 34 and 35, renumbered reference sections in the examples. On pages 36 and 37, added new policy and section for the penalty period for transfers on or after February 8, 2006. Renumbered the sections on pages 38-40. Appendices 1, 2, and 3 added to the subchapter.

Updated the Table of Contents. On pages 3 and 4, added new policy regarding substantial home equity that precludes eligibility for Medicaid payment of long-term care. Pages 5 and 6 are runover pages. On page 7, clarified entitlement to SSI. On page 8, clarified that when an SSI recipient does not have a type of listed real property resource, do not evaluate the recipient's resources. Page 8a is a runover page.

Subchapter M1480
Table of Contents
pages 7-10
pages 13-16
pages 17-50a
pages 65-68

Subchapter M1480
Table of Contents
pages 7-10
pages 13-16
pages 17-50b
pages 65-68

Updated the Table of Contents. On pages 7 and 8, added the new policy for substantial home equity precluding eligibility for Medicaid payment of LTC. Pages 8a, 8b and 10 are runover pages. On pages 9 and 13, clarified the resource policy to use in resource assessments. On page 14, clarified resources as of the first moment of the first day of the application month and retroactive months being determined. Pages 15 and 16 are runover pages. On page 17, clarified resources counted in determining the institutionalized spouse's resource eligibility. On

Remove and Destroy Pages

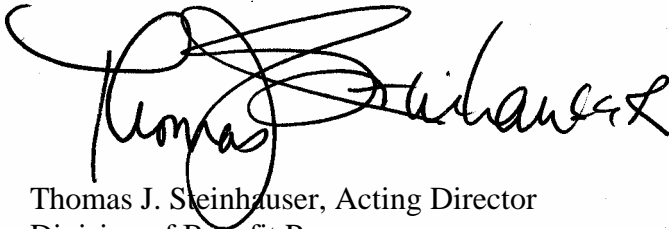
Insert Attached Pages

Significant Changes

		<p>pages 18-29, clarified the procedures and examples for determining initial resource eligibility. On pages 30-35, clarified the calculation of the CSRA. Pages 36 and 37 are runover pages. On pages 38-43, the CSRA examples are clarified. Page 44 is a runover page. On pages 45 and 46, clarified the example. Pages 47-50 are runover pages. On pages 50a and 50b, changed “PD” to “AC” and updated the AC codes. Page 65 is a reprint. On page 66, updated the monthly maintenance needs standard and the excess shelter standard. On page 67, corrected a section reference. Page 68 is a reprint.</p>
Subchapter M1520 pages 5-8	Subchapter M1520 pages 5-8	<p>Pages 5 and 8 are reprinted. On page 6, clarified the review requirements for an FPS enrollee. Page 7 is a runover page.</p>
Subchapter 1550 Table of Contents pages 1-10	Subchapter 1550 Table of Contents pages 1-10 Appendix 1	<p>Updated the Table of Contents. Updated the information and clarified policy and procedures for the DMHMRSAS Medicaid Technicians on pages 1-10. Added Appendix 1, the list of the Medicaid Technicians and the Supervisor located in DMHMRSAS facilities.</p>
Chapter M18 pages 3, 4	Chapter M18 pages 3, 4	<p>Page 3 is a reprint. On page 4, deleted the ABD 80% FPL covered group from the list of Medicaid enrollees who are exempted from managed care. ABD 80% FPL enrollees are required to be in managed care.</p>

Remove and Destroy Pages	Insert Attached Pages	Significant Changes
Chapter M21 Table of Contents pages 1-4 pages 9-11	Chapter M21 Table of Contents pages 1-4 pages 9-14	Updated the Table of Contents. Page 1 is a reprint. On pages 2 and 3, clarified that Cuban-Haitian Entrants are qualified aliens and can be eligible for FAMIS, regardless of date of entry in U.S. Page 4 is a reprint. Page 9 is a reprint. On pages 10-14, added the LDSS-CPU-FAMIS Plus Unit procedures from Broadcast #3690.
Chapter M22 page 9	Chapter M22 page 9	On page 9, added references to section M2140.100 for procedures to use when transferring a FAMIS MOMS case to the CPU, and for policy and procedures to use when an enrollee transitions between Medicaid and FAMIS MOMS.

Please retain this transmittal letter in the back of Volume XIII.



Thomas J. Steinhauser, Acting Director
Division of Benefit Programs

Attachment