

STATE OF VERMONT
AGENCY OF HUMAN SERVICES

P A T H

Department of Prevention, Assistance, Transition, and Health Access

BULLETIN NO.: 04-10

FROM: John Michael Hall, Commissioner
for the Secretary

DATE: June 15, 2004

SUBJECT: Savings Bond Changes Mandated by H. 768 (2004), Making Appropriations for the Support of Government

CHANGES ADOPTED EFFECTIVE 6/15/04

INSTRUCTIONS

Maintain Manual - See instructions below.

Proposed Regulation - Retain bulletin and attachments until you receive Manual Maintenance Bulletin: _____

Information or Instructions - Retain until _____

MANUAL REFERENCE(S):

M232.98

M233.24

To help sustain Vermont's public health care assistance programs, section 131 of H. 768 (the budget act of 2005) mandates an immediate rule change for SSI-related Medicaid coverage for the aged, blind and disabled, which is administered by the department. The rule change concerns the department's treatment of savings bonds in its determination of financial eligibility for this group. This bulletin contains these changes.

Background

Last year, Act 66 (the budget act of 2004) required several measures to reduce Vermont Medicaid program expenditures. One provision required that the department amend its SSI-related Medicaid resource rules to provide that United States Savings Bonds are considered as an available resource for Medicaid eligibility purposes beginning on the date of purchase. (Act 66, §147(k)). The department promulgated this rule with a December 1, 2003 effective date, but suspended implementation when it learned that clarifying guidance on the treatment of savings bonds would be forthcoming from its federal partner, the Centers for Medicare and Medicaid Services (CMS). This year, section 131 of H. 768 amended this provision to enable the department to follow federal guidance it received from CMS.

The guidance from CMS approved valuation of United States savings bonds as a resource beginning on the date of purchase unless individuals have requested and been denied a hardship waiver from the United States Department of the Treasury, Bureau of Public Debt.

Expedited Rulemaking Process

The Vermont legislature authorized PATH to adopt these rules using an expedited rulemaking process to ensure immediate implementation. These rules will be effective when filed with the secretary of state's office and will have the full force and effect of rules adopted under the regular rulemaking process at 3 V.S.A. chapter 25. They remain in effect until amended by a subsequent rule adopted pursuant to 3 V.S.A. chapter 25. The department is beginning its rulemaking process for the subsequent rule simultaneously with this expedited filing, by filing its proposed rule with the Medical Care Advisory Committee (MCAC).¹

* * * * *

Vertical lines in the left margin indicate significant changes.

Manual Holders: Please maintain manuals assigned to you as follows.

Manual Maintenance

	<u>Remove</u>		<u>Insert</u>	
M232.98		02-11	M232.98	04-10
M233.24		03-17	M233.24	04-10

¹ Section 130a(b) of the budget act of 2005, added review by the Medical Care Advisory Committee (MCAC) as a new first step for health care related rules. This provision will be codified at 33 V.S.A. § 1901c. Formal rulemaking under chapter 25 of Title 3 follows this step, with the department filing the proposed rule with the Interagency Committee on Administrative Rules (ICAR).

6/15/04

Bulletin No. 04-10

M232.98

M232.98 Stocks, Bonds, Mutual Funds, and Money Market Funds

(a) Definition

Legal instruments authenticating an investment, such as stocks, bonds, mutual funds, and money market funds pay interest at specified intervals, sometimes pay dividends, and are convertible into cash either on demand or at maturity.

(b) Exclusion

Savings bonds are excluded during their minimum retention period if individuals have requested a hardship waiver based on financial need due to medical expenses and received a denial from the United States Department of the Treasury, Bureau of Public Debt, Accrual Services Division in Parkersburg, P.O. Box 1328, Parkersburg, West Virginia 26106-1328.

Upon verification of a denial of a hardship waiver, as described above, the department considers United States savings bonds owned by one or more individuals an available resource following the expiration of the minimum retention period. Once the minimum retention period expires, the denial of a hardship waiver is not a basis for exclusion of new bond purchases with the proceeds.

Savings bonds purchased before June 15, 2004 that have their minimum retention period expire after that date, continue to be an excluded resource if they are not redeemed, exchanged, surrendered, reissued or otherwise become available.

6/15/04

Bulletin No. 04-10

M233.24

M233 Value of Resources Counted Toward the Medicaid Resource Limit (Continued)

M233.24 United States Savings Bonds

Savings bonds are counted as a resource beginning on the date of purchase unless:

- (a) individuals have requested and been denied a hardship waiver pursuant to the provisions of Rule M232.98; or
- (b) individuals owned savings bonds that were in their minimum retention period on June 15, 2004 and the bonds have not been redeemed, exchanged, surrendered, reissued or otherwise become available.

To establish the value of the bonds, the department uses the Savings Bond Calculator or the Comprehensive Savings Bond Value Table on the U.S. Bureau of Public Debt's Internet web site at: www.publicdebt.treas.gov/sav/savcalc.htm. Alternatively, the department obtains the value by telephone from a local bank. The following general rules apply to valuation.

- (a) Series E and EE bonds are valued at their purchase price.
- (b) Series I bonds are valued at their face value.
- (c) Series HH bonds are valued at face value.