INTERPRETIVE MEMO

[X] Medicaid Rule Interpretation **[ ] Procedural Instruction**

This memo remains effective statewide for the time periods specified below.

Please file in your manual facing the page indicated below.

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This memo: [ ] is new **[X] Replaces one dated** 8/1/2009

The meaning of "otherwise eligible for long-term care Medicaid"

This interpretive memo explains when individuals who have made transfers subject to penalty are otherwise eligible for long-term care Medicaid.

Individuals are considered "otherwise" eligible for long-term care Medicaid as of the earliest date they pass all eligibility criteria in the sequence listed below. They must also meet each of these criteria in any month for which they request retroactive Medicaid.

1. Clinical Criteria – 4201 G
2. Citizenship and Identity Criteria – 4216 and 4170
3. Category – 4210 – 4215, 4300
4. Residency – 4217
5. Living Arrangement – 4218
6. Resources – 4230 - 4260
7. Income – 4270 (for anyone with gross income above the institutional income standard, see explanation below)

Individuals Whose Income Exceeds the Institutional Income Standard (IIS)

When an individual's income exceeds the Institutional Income Standard (IIS), the individual must spend down to the applicable Protected Income Level (PIL) in the month of application or the next month. Individuals with a penalty are subject to the penalty period start date the date the spenddown is met.

If the spenddown is not met in the month of application or the next month, the individual is denied Long-Term Care Medicaid. Then, the department determines whether the person is eligible for community Medicaid. If so, it assesses a 6-month spenddown.

Examples:

1. Individual applies in June and requests retroactive coverage as of April. Individual meets all eligibility criteria but the gross countable income exceeds the IIS and has transfers that will result in a 38 day penalty. The spenddown period is April – September. The applicant meets their spenddown on April 23rd. April 23rd is the date the individual is considered to be otherwise eligible. Their penalty period would be April 23rd – May 30th.

2. Same case, but no retroactive coverage requested. The spenddown is met June 23. June 23 is the date the individual is considered to be otherwise eligible. The penalty period is June 23 – July 30.