

# Choices for Care Enhanced Residential Care Medicaid Training

April 2014

# Applying for LTC Medicaid

# ESD and DAIL CFC LTC Medicaid Partnership

The application for Choices for Care Long-Term Care Medicaid (LTC MED) is a joint application between ESD and the Department of Disability, Aging and Independent Living (DAIL)

## **ESD BPS**

- Processes LTC Medicaid financial eligibility

## **DAIL LTCCC**

- Completes clinical assessment

**NOTE:** An individual must meet all financial and clinical criteria to qualify for LTC MED

# Application Form

Everyone must complete the Application for Choices For Care Long-Term Care Medicaid 202LTC to start the financial and clinical evaluation.

# LTC Medicaid Application Packet

- ▶ Standard LTC Medicaid Application for use state wide:
  - Choices for Care Long-Term Care Medicaid Application – 202LTC revised 3/11
  - Information Release form – ESD 201B
  - Long-Term Care Agreement to Report Changes form – 201ALTC
  - Long-Term Care Recovery from Estates form – 204 REC
  - Burial Fund Intention Statement – 216BF

# Who may be eligible for Long-Term Care Medicaid?

To be eligible for Choices for Care (CFC), you must:

- Meet clinical criteria.
- Meet citizenship and identity requirements.
- Be a Vermont resident.
- Be at least 65 years of age or 18 years of age or older with a physical disability.
- Meet financial criteria for Long-Term Care Medicaid.
- Meet permissible transfer rules

# Application Process

- ▶ When ESD receives a LTC Medicaid application:
  - Give the LTCCC nurse copies right away
  - Call the client/representative within four days to schedule an interview.
  - If unable to reach by phone, set up an appointment and send an Appointment Notice by day 4.
  - If there is no contact at appointment time, set up another appointment and send a 2<sup>nd</sup> Appointment Notice.
  - If still no contact at second appointment, deny the Medicaid application.

# Interview

ESD BPS must conduct an interview with the individual or his/her authorized representative

- The case manager can not complete the interview unless authorized by the applicant.



# Financial Eligibility

*Some ERC applicants are NOT subject to LTC rules:*

All ERC individuals who have income BELOW the PIL(\$991 outside Chittenden Co.; \$1066 in Chittenden Co.), or if married, income BELOW the SSI payment level for couples(\$1,180.88), AND meet the resource test.

However, if an ERC recipient enters a nursing facility for 30 days or more, LTC rules apply.

# Look-Back Period

The Deficit Reduction Act of 2005 extended the look-back period to 60 months.

# Verification for New Application

- ▶ Do not send originals
- ▶ Send as much information as you can
- ▶ Do not wait to apply
- ▶ Need information for you, your spouse or civil union partner
- ▶ Spousal allocation
- ▶ One 90 day request

# Verification for Review Application

- ▶ Health insurance premiums
- ▶ Income
- ▶ Resources
- ▶ Anything sold or given away in previous 60 months
- ▶ Deeds executed in previous 60 months
- ▶ Annual accounting for Trusts

# Resources

# Countable Resource Limits

- ▶ \$2,000 – applicant
- ▶ \$117,240 – applicant's spouse (\$119,240 total for couple)
- ▶ \$5,000 – single HBW homeowner (Rule §29.08(i)(12))

# Resources

## §29.07 – §29.10(e)

Countable resources include but are not limited to:

- Cash on hand
- Bank/credit union accounts, checking, savings
- Stocks, bonds, mutual funds
- Real Property



# Real Property

## §29.08(a)– §29.08(a)(7)

Ownership interest, including life estates, in any real property must be evaluated

- ▶ Primary residence
- ▶ Life estates
- ▶ Camps
- ▶ Rental property
- ▶ Wood lots, open land, etc.



# Primary Residence

## §29.08(a)(1)

### General Rule:

The equity in the primary residence is excluded if:

- ▶ Individual resides in the home, or
- ▶ Individual is institutionalized, provided the home has not been placed into a revocable trust, and
  - Individual intends to return home, or
  - Individual's spouse or dependent resides in the home, or
  - Individual has a medical condition that prevented him/her from living in the home before institutionalization

# Substantial Home Equity

## §29.09(d)(6)

If an individual's equity in their primary residence exceeds \$543,000, they are **ineligible** for LTC MED unless at least one of the following lawfully resides in the home:

- Individual's spouse, or
- Individual's child under 21, or
- Individual's child of any age who is blind or permanently and totally disabled

# Substantial Home Equity

## §29.09(d)(6)(iii)

If an individual is denied eligibility due to substantial home equity:

- Individual may request a hardship waiver
- Individual may receive other Medicaid services, if eligible

NOTE: The amount is increased yearly based up on the consumer price index

# Life Insurance

## §29.08(b)

Treatment of whole life policies (policies with cash value):

- ▶ If the total combined face values does not exceed \$1,500, the cash values can be excluded
- ▶ If the total combined face values exceeds \$1,500:
  - The first \$1,500 of cash values is excluded
  - All remaining cash values are countable resources

Treatment of term life policies (policies with no cash value) are excluded (since no cash)

# Burial Funds

## §29.08(c)

- ▶ Any separately identifiable fund clearly designated for burial expenses
- ▶ Cannot be commingled with other resources
- ▶ Can exclude up to \$10,000 per person as of the first of the month it is designated
- ▶ Disregard accrued interest from the date the fund was established for Medicaid purposes
- ▶ Couples may maintain a joint account for burial funds

# Retirement Funds

## §29.08(i)(5)

Retirement funds include but are not limited to:

- ▶ Pension plans
- ▶ IRAs, Keoghs, 401Ks, mutual funds
- ▶ Stocks, bonds, securities
- ▶ Money markets
- ▶ Annuities



# Retirement Funds

## §29.08(i)(5)

### **Retirement funds are excluded if the individual:**

- ▶ Must terminate employment to draw funds, or
- ▶ Can't withdraw a lump sum, or
- ▶ Is ineligible for periodic payments, or
- ▶ Has reached retirement age and is drawing enough to meet their life expectancy (per SSA's actuarial tables).

NOTE: If the individual is eligible for lump sum or periodic benefits, the individual must choose the periodic benefits.

NOTE: If the individual receives a denial after requesting periodic retirement benefits, but can withdraw the funds in a lump sum, the lump sum is a countable resource.

NOTE: If a retirement fund is a countable resource and is allocated to the individual's spouse, the individual does not need to change the ownership to the spouse's name.

# Resources Requiring Legal Review

- ▶ Deeds
- ▶ Annuities
- ▶ Promissory/Mortgage Notes
- ▶ Irrevocable Trusts
- ▶ Independent Living Contracts
- ▶ Other relevant legal documents



# Resource Spenddown and Retroactive Medicaid §30.04(b)

One or more of the following actions may be taken to reduce excess resources in order to qualify for up to 3 months retroactive Medicaid from date of application:

- Set up a burial fund of up to \$10,000 (Rule §29.08(c))
- Spend money on unpaid medical expenses
- If income is below Protected Income Level (PIL), spend resources on housing, food, clothing, etc.

# Resource Assessment

## §29.10(e)

- ▶ ESD performs a resource assessment for CFC LTC applicants and spouses at the beginning of the first continuous period of long-term care
- ▶ LTC recipients who receive additional resources after allocating less than the maximum allocation to their community spouse, may transfer additional resources to the CS up to the maximum CSRA up to their first annual review
- ▶ After the first annual review, transfer penalty rules are applied

# Resource Assessment Once Granted LTC MED §29.10(e)

- ▶ The CFC recipient must remove their name from and transfer all countable resources allocated to their spouse by their first annual review or Medicaid will close due to excess resources. \*
- ▶ The total of all countable resources owned by the CFC recipient, when added together, must be at or below \$2,000 when their first annual review is due.

\*The only exception is retirement funds the applicant allocates to their spouse.

# Income

# Types of Income

## §29.12(b) – §29.12(d)

- ▶ Earned Income (Rule §29.12(b)):

# Unearned Income

## §29.12(d)

Unearned income is any payment other than earned income received from any source.

Unearned income includes but is not limited to:

- Social Security, Railroad and Veteran's Benefits
- Pensions
- Annuities
- Promissory/Mortgage Notes
- Interest/Dividends
- Payments from trusts
- Alimony
- Regular contributions



# Patient Share

## §24.01

Once an individual is granted LTC MED, a patient share is calculated.

- Gross income – allowable deductions = patient share
- Patient share is paid to the individual's highest paid provider
- Current patient share pays for previous month's care (for example, income received in June pays for May's care)

# Patient Share Deductions

## §24.04

To determine an individual's patient share, ESD deducts the following from the individual's gross monthly income:

**\$1066.00** Community Maintenance Allowance (CMA) (for HBW/ERC individuals only)

**\$579.78** Home Upkeep Deduction if medical provider certifies person is expected to return home within 6 months of admission date and all other criteria are met

# Patient Share Deductions

## §24.04

### Other deductions include:

Allocations to community spouse or dependent family members

Reasonable medical expenses incurred, if applicable  
(Rules §30.05(c)–§30.06(d))

NOTE: Unpaid patient shares may not be used to reduce a current patient share

# Change Report Requirements

## §73

All changes must be reported within 10 days

Changes include **but are not limited to:**

- Income changes for individual (and spouse, if spouse receives a spousal income allocation)
- Resource changes (if they exceed the individual's \$2,000 limit)
- Inheritance or insurance payments

# Change Report Requirements (continued) §73

- Change in ownership such as adding/removing names to bank accounts, property or other accounts
- Changes to spouse's shelter expenses (if spouse is receiving spousal income allocation)
- Changes in insurance premiums and/or coverage
- Sale of property



# Eligibility Reviews

## §75

The LTC MED recipient must:

- ▶ Report changes timely and provide all requested verification.
- ▶ Complete annual review paperwork and provide all requested verification

NOTE: The amount of an individual's patient share may change; the individual will be notified of the new patient share amount

# Questions?

