

# **CHANGE NOTICE FOR MANUAL NO. 06-04, Transfers of Resources in the Month of Receipt**

**DATE: September 17, 2003**

**Manual: Aged, Blind, and Disabled Medicaid**

**Change No: 06-04**

**To: County Directors of Social Services**

**Effective: October 1, 2003**

## **I. BACKGROUND**

Recently the Centers for Medicare and Medicaid Services (CMS) issued an interpretation regarding transfers of resources, which are not counted against the resource limit due to the "first moment of the month rule." The value of countable resources is determined as of the first moment of the month. The value as of the first moment of the month is compared to the resource limit. If the value of countable resources on the first moment of the month does not exceed the resource limit, the applicant/recipient (a/r) meets the resource requirement for the entire month. Resources received after the first moment of the month are not counted against the resource limit until the first moment of the next month. However, according to the CMS interpretation, if these resources are given away to a non-allowable person prior to the first moment of the next month, the transfer is sanctionable.

In developing this interpretation, CMS worked with the Social Security Administration regarding the requirements of SSI resource policy. The principle is that even though a countable resource is not counted against the resource limit until the first moment of the month following the month of receipt, it is still a countable resource. If it is given away, a transfer of resources has occurred and must be evaluated for possible sanction. Examples of this include, but are not limited to transferring the proceeds of the sale of a home, a loan or reverse mortgage, or an inheritance.

## **II. CONTENT OF CHANGE**

### **A. MA-2240, Transfer of Resources**

1. Policy now states that transfer, in the month of receipt, of the proceeds from a loan, reverse mortgage, inheritance, or other lump sum to a non-allowable person is subject to the transfer of resources rules.

2. Previous references to sanctioning transfers of certain non-countable resources are revised:
  - a. Only \$6,000 of non-business income producing property and property used to produce goods and services for the home is an excluded resource. If the excluded \$6,000 in this property is transferred it is subject to transfer of resource sanction, along with the countable property.
  - b. Reference to homesites that have been made income producing, was removed as it is no longer applicable, since income producing property is countable and subject to transfer of resource sanction.

#### **B. MA-2230, Financial Resources**

Policy is revised to be consistent with the transfer of resources policy.

### **III. EFFECTIVE DATE: October 1, 2003**

This change in policy is effective October 1, 2003. Apply this policy to all transfers of resources occurring on or after October 1, 2003

### **IV. MAINTENANCE OF MANUAL**

#### **A. MA-2230, Financial Resources**

Remove MA-2230, pages 1 & 2, 59 – 62, and 67 – 70.

Insert attached [MA-2230](#), pages 1 & 2, 59 – 62, and 67 – 70, effective 10/01/03.

#### **B. MA-2240, Transfer of Resources**

Remove MA-2240, pages 11 – 14.

Insert attached [MA-2240](#), pages 11 – 14, effective 10/01/03.

If you have any questions regarding this material, please contact your Medicaid Program Representative.

Gary Fuquay  
Acting Director

(This policy was researched and written by Andy Wilson, Project Coordinator, Medicaid Eligibility Unit.)