

CHANGE NOTICE FOR MANUAL, NO. 01-08, COMMUNITY SPOUSE INCOME RESOURCE PROTECTION

DATE: 12/10/07

Manual: Aged, Blind, and Disabled Medicaid

Change No: 01-08

To: County Directors of Social Services

Effective: 01/01/08

Make the following change(s)

I. BACKGROUND

Section 1924 (g) of the Social Security Act contains provisions for the protection of income and resources when an institutionalized spouse (ISP) has a community spouse (CUSP). Each January 1st, there is an increase in the maximum community spouse income allowance (CSIA) and the minimum and maximum community spouse resource allowance (CSRA). This increase is a result of an increase in the Consumer Price Index and is based on the difference between the September 1988 Consumer Price Index and the September 2007 Consumer Price Index.

The Centers for Medicare and Medicaid Services (CMS) has determined that the Consumer Price Index increase from September 1988 to September 2007 is 74 percent. This percentage was used to determine the new spousal impoverishment amounts.

There is no change in the minimum CSIA, dependent family member allowance, or the allowance for excess shelter expenses. These amounts change in July of each year.

II. POLICY PRINCIPLES

A. Spousal Income Protection

The protection of income applies when the applicant/recipient (a/r) is institutionalized and has a CUSP. In order for the CUSP to be eligible for income protection, the a/r must be budgeted long-term care. The protection of income begins the first month of long term care budgeting.

B. Spousal Resource Protection

The CSRA applies when the a/r is institutionalized and has a CUSP. In order for the CUSP to be eligible for resource protection, the a/r may be budgeted PLA or long-term care. The protection of resources begins the first month of the continuous period of institutionalization (CPI)

C. Spousal Protection Amounts

- 1. Maximum community spouse resource allowance \$ 104,400.00
- 2. Minimum community spouse resource allowance \$ 20,880.00
- 3. Maximum community spouse income allowance \$ 2,610.00

D. Other Changes

- 1. The new Medicare Part A & B deductible rate, Part A & B premium change, and co-insurance amounts for 2008 have been updated in MA-2360, Medicaid Deductible.
- 2. The per mile rate for medically related transportation has been increased to .18 per mile.
- 3. In addition, some incidental changes have been made for the purposes of clarity and consistency.

M e d i c a r e P r e m i u m R a t e s :	
Part A	\$423.00 (If less than 30 quarters of Medicare- covered employment, see Admin. Letter 09-07.)
Part B	\$96.40
Medicare Deductible Rates	
Part A	\$1,024.00
Part B	\$135.00
Part A Hospital Coinsurance Rates	
61 – 90 days	\$256.00 per day
60 lifetime reserve days	\$512.00 per day
Part A Skilled Nursing Facility Rate:	
21 – 100 days	\$128.00 per day

III. IMPLEMENTATION PROCEDURES

A. Spousal Income Protection

1. Applications pending on January 1, 2008
 - a. Apply the previous maximum CUSP income protection amount to any month in the certification period prior to January 2008, including the retroactive certification period.
 - b. Apply the new maximum CUSP income protection amount to any month in the certification period beginning January 2008 or later.
2. Ongoing Case Maintenance
 - a. Apply the previous maximum CUSP income protection amount to any month in the certification period prior to January 2008.
 - b. Apply the new maximum CUSP income protection amount to any month in the certification period beginning January 2008 or later for redeterminations completed on or after January 1, 2008.

B. Spousal Resource Protection

1. CPI Begins On or After January 1, 2008

Apply the new CSRA amounts to any month in the certification period beginning January 2008 or later
2. CPI Begins Prior To January 1, 2008
 - a. Apply the previous CSRA amounts to any month in the certification period prior to January 1, 2008.
 - b. Apply the new CSRA amounts to any month in the certification period beginning January 2008 or later.

Recalculate the amount of the countable resources of the institutionalized spouse (ISP) effective January 1, 2008, by applying the new CSRA amounts. This may reduce the countable resources of the ISP effective January 1, 2008.

- (1) The CSRA is less than \$20,880, increase the allowance to the new amount and recalculate the countable resources of the ISP.

Example: The CSRA determined prior to 1-1-08 was \$20,328. The couple's countable resources on 12-31-07 totaled \$22,448. This left \$2,120 in countable resources for the ISP ($\$22,448 - \$20,328 = \$2,120$). Effective 1-01-08, increase the CSRA to \$20,880. This reduces the countable resources of the ISP to \$1,568 ($\$22,448 - \$20,880 = \$1,568$). Assistance may be authorized for the ISP effective January 1, 2008, provided all other eligibility factors are met.

- (2) If one-half of the couple's countable resources at the beginning of the CPI are greater than the previous maximum CSRA, increase the CSRA to the new maximum amount for any month in the certification period beginning January 2008 or later. Recalculate the countable resources of the ISP based on the increased CSRA.

Example: The couple's countable resources at institutionalization totaled \$210,240. One-half of this amount is \$105,120. However, the maximum CSRA of \$101,640 was protected for the CUSP.

The couple's countable resources on 12-31-07 totaled \$209,200. This left \$107,560 in countable resources for the ISP ($\$209,200 - \$101,640 = \$107,560$). Effective 1/1/08, increase the CSRA to \$104,400. This reduces the countable resources of the ISP to \$104,800 ($\$209,200 - \$104,400 = 104,800$) beginning 1/01/08.

- c. Notify the a/r of any changes in the resource protection amount. Use the appropriate notice.

C. Medicare Copayments and Deductibles

The new Medicare rates apply to eligible medical services incurred on or after January 1, 2008. MA-2270, Long Term Care Need And Budgeting, Tables i and ii, are updated to reflect the new rates.

IV. EFFECTIVE DATE AND IMPLEMENTATION

This policy is effective January 1, 2008. Apply this change to applications taken and redeterminations started on or after January 1, 2008, as well as to those presently in process.

V. MAINTENANCE OF MANUAL

A. Remove: MA-2231, Community Spouse Resource Protection, pages 7-12

Insert: [MA-2231, Community Spouse Resource Protection](#), pages 7-12 effective 1-1-08

B. Remove: MA-2260, Financial Eligibility Regulations – PLA, pages 14 and 15.

Insert: [MA-2260, Financial Eligibility Regulations – PLA](#), Pages 14 and 15 effective 1-1-08.

C. Remove: MA-2270, Long Term Care Need and Budgeting, pages 17-18, 23-24, 27-28, 31-32, 51-52, Table i, Table ii, and Figure 6.

Insert: [MA-2270, Long Term Care Need and Budgeting](#), pages 17-18, 23-24, 27-28, 31-32, 51-52, [Tables i, Tables ii](#), and [Figure 6](#) effective 1-1-08.

D. Remove: MA-2360, Medicaid Deductible, pages 3-4, 7-8, 15-16, 19-20.

Insert: [MA-2360, Medicaid Deductible](#), pages 3-4, 7-8, 15-16, 19-20, effective 1-1-08.

If you have any questions regarding this information, please contact your Medicaid Program Representative. For any issues that are not able to be handled through that venue, Mrs. Angela Floyd, Assistant Director for Provider and Recipient Services, will be your point of contact and can be reached at (919) 855-4050.

William W. Lawrence, Jr., M.D., Acting Director

(This material was researched and written by William Appel, Policy Consultant, Medicaid Eligibility Unit)