

CHANGE NOTICE NO. 15-08, TRANSFER OF ASSETS CLARIFICATION

DATE: APRIL 21, 2008

Manual: Aged, Blind, and Disabled Medicaid

Change No: 15-08

To: County Directors of Social Services

Effective: May 1, 2008

I. BACKGROUND

Policy reflecting transfer of assets regulations resulting from the Deficit Reduction Act of 2005 (DRA), the 2006 NC State Appropriations Act, and the 2007 NC General Assembly were implemented November 1, 2007. The following changes clarify the policies and provide additional instruction concerning transfer of assets.

II. CONTENT OF CHANGE

A. MA-2240, Transfer of Assets, contains the following changes.

1. The personal services and continuing care contracts policy applies to contracts signed November 1, 2007 and later. (MA-2240 IX.H.)
2. An a/r who has a deductible does not meet all other eligibility criteria and is not otherwise eligible until the day the deductible is met. The sanction period begins on the day the deductible is met. If a deductible is not met during the month of entry into the nursing facility, the sanction period begins the first day of the next month, the first day of long term care budgeting. (MA2240 XII.C.1.)
3. If the a/r fails to provide the necessary information to determine if a non-allowable transfer has occurred or the length of the sanction period, approve PLA if eligible and enter a sanction on the AT screen with an end date of 11/30/10. (MA-2240 XII.G.)
4. The a/r or the a/r's spouse must show by the greater weight of the evidence of at least two attempts to dispose of the asset for current market value. (MA-2240 XIII.A.2.c.)

5. Policy is clarified for a sanction period that cannot begin prior to the first day of the month that follows three full calendar months from the date of the report or discovery of a transfer. Also, clarification is made as to when the case is referred to Program Integrity for recoupment. (MA-2240 XII.C.1.d.)

B. MA-2270, Long Term Care Need and Budgeting, unmet medical needs allowance policy is clarified to indicate that active LTC cases with a nursing facility cost of care contract in place prior to November 1, 2007 are not affected by the new policy. These costs may be used as an unmet medical need. (MA2270 VIII.A.3.b.)

C. MA-2230 Figure 15, Verification of Annuities, is revised to include the name and title of the person providing the information.

III. EFFECTIVE DATE AND IMPLEMENTATION

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

IV. MAINTENANCE OF MANUAL

A. Remove: MA-2230, Figure 15, Verification of Annuities.

Insert: [MA-2230, Figure 15](#), Verification of Annuities, dated 05/2008.

B. Remove: MA-2240, Transfer of Assets, pages 27-28, 37-54.

Insert: [MA-2240](#), Transfer of Assets, pages 27-28, 37-58 dated 05/1/08.

C. Remove: MA-2270, Long Term Care Need and Budgeting, pages 21-22.

Insert: [MA-2270](#), Long Term Care Need and Budgeting, Pages 21-22, dated 05/01/08.

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 Recipient and Provider Services, will be your point of contact and can be reached at (919) 855-4000.

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

(This material was researched and written by Susan Ryan, Policy Project Manager, Medicaid Eligibility Unit.)