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**CHANGE IN SITUATION**

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**MA-2340 CHANGE IN SITUATION**  
**REISSUED 08/01/13 – CHANGE NO. 05-13**

[DHB Administrative Letter NO: 03-23, Medicaid Procedures for Asset Verification System \(AVS\) During the Continuous Coverage Unwinding \(CCU\) Period](#)

**I. GENERAL INSTRUCTIONS APPLICABLE TO ANY CHANGE IN SITUATION**

**A. Any change in the budget unit's situation must be reviewed promptly when the county department of social services learns of a change from any source.**

NOTE: The budget unit consists of individuals who apply for assistance and those who have financial responsibility for him. Refer MA-2260

**B. When the county has information about anticipated changes in circumstances which may affect eligibility, it must reevaluate continued eligibility at the appropriate time based on those changes.**

**C. Appropriate action must be completed within 30 calendar days after the county department of social services learns of the change.**

**D. When a change in situation is reported, ask if other changes have occurred. Be alert to any change that affects more than one eligibility requirement.**

**E. Retain the six months certification period, except when a change in financial responsibility requires one certification period to be shortened to match the other.**

**F. When an active Medicaid applicant/**beneficiary** begins to receive SSI, the deductible must be recomputed based on the number of months in the c.p. prior to SSI Medicaid authorization. See example 5 in II.E.12., below.**

**G. Divide a 12 months certification period into two six months periods and apply the change in the six months period in which it occurs. If no deductible results, retain the 12 months certification period.**

**H. The **beneficiary**'s delay in reporting a change may require that income for several months be applied to a deductible for as few as one or two months.**

**I. When more than one change in situation is reported, implement all changes with the same effective date at the same time. When there are different effective dates, implement each separately in the order in which they occurred.**

# Aged, Blind and Disabled Medicaid Manual

Transmitted by Change No.

MA-2340

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01/01/95

- J. Enter or attach all verifications, including notations of telephone contacts, to the verification/redetermination form.**

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(I.)

**K. Enter changes in EIS according to the EIS Manual.**

**L. Send the **beneficiary**/representatives/facility notice of any change in certification/authorization/deductible/patient's monthly liability, etc., according to MA-2420.**

**II. TYPES OF CHANGES**

**A. Change of Address (Private Living Arrangement)**

1. **Beneficiary** Moved Within County:

a. Verify county residence by instructions in [MA-2221](#).

b. Determine if any budgeting changes must be made as a result of:

(1) Changes in the b.u. membership,

(2) Beginning/ending of financial responsibility of spouse-for-spouse, or parent-for-child, or

(3) 1/3 reduction in maintenance allowance.

**EXAMPLE:** An M-AA **beneficiary** has been living alone. She receives Social Security. She is authorized for Medicaid June through November with a deductible. On July 7 she reports that she moved to a child's home on July 3. She is not paying her proportionate share of the household expenses in the child's home.

Original Budget

June - November:      Gross monthly income  
                                 - \$20 exemption \_\_\_\_\_  
                                 Countable monthly income  
                                 - Maintenance allowance for 1  
                                 Excess monthly income  
                                 x 6 months  
                                 Deductible

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(II.a.1.b.)

Recomputed Budget

June - July: Gross monthly income  
- \$20 exemption  
Countable monthly income  
- Maintenance allowance for 1  
Excess monthly income  
x 2 months  
Excess income for June and July

August - November: Countable monthly income  
- 1/3 reduction maintenance allowance for 1  
Excess monthly income  
x 4 months remaining in certification period  
Excess income for August - November  
+ Excess monthly income for June and July  
Deductible for 6 months period

Refer to II.E., Computing Change in Income Maintenance Allowance, and/or Budget Unit Members, for further instructions.

2. **Beneficiary** Moved Out of County or Out of State: See MA-2220 and 2221, State Residence and County Residence.
3. Temporary Absence of **Beneficiary**:  
  
If a member of the b.u. is out of the home temporarily:
  - a. Determine where the person is.
  - b. Determine the purpose of the absence and how long it will last, establishing intent to return home.
  - c. Refer to [MA-2220](#) and [2221](#).

**B. Change in Living Arrangement**

NOTE: Refer to II.E., Adjustments Resulting from Change in Living Arrangement for computation procedures.

1. Hospital care is considered to be a continuous period of institutionalization:

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(II.B.1.)

- a. When the hospital stay (of any length) ends with a direct move from general/acute hospital care to a nursing level of care for which prior approval is required (FL-2/MR-2).
  - b. When a person enters a hospital from some other type of LTC. (ICF, ICF-MR, SNF), or
  - c. When the hospital stay exceeds 30 days of continuous hospital care.
2. From PLA/LTC to Domiciliary Care:
    - a. If the **beneficiary** is able to pay for domiciliary care, but wishes to continue receiving MA for other medical expenses as a private paying patient, the maintenance allowance for a person in a PLA is continued.
    - b. If the individual is eligible for S/C-SA, re-compute the budget for those months he was eligible for MA only.
  3. For changes involving moves to or from LTC, please refer to LTC section, MA-2270, **unless change is from LTC to incarceration (see 4 below).**
  4. **For changes involving moves from PLA/LTC to incarceration in a public institution or inpatient in an Institution for Mental Disease, please refer to MA2510/MA3360, Living Arrangement.**

**C. Addition/Deletion of Budget Unit Members**

NOTE: Refer to II.E. Computing Changes in Income, Maintenance Allowance, and/or Budget Unit Members.

1. When the Addition of a Family Member is Reported:
  - a. Verify the presence of family member if assistance is requested or financial responsibility exists.
  - b. Determine his eligibility for inclusion in the b.u.
  - c. Review and verify if the additional person changes the income and/or resources of the b.u.
2. Deletion of a Budget Unit Member:
  - a. Verify that the b.u. member is no longer in the home and/or is no longer eligible to be included in the b.u. The **beneficiary's** statement that an individual in the MA b.u. has left the home is sufficient verification. Such situations include, but are not limited to:

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(II.C.2.a.)

- (1) Death, or
  - (2) PLA **beneficiary** entering LTC, or
  - (3) Spouse/child begins receiving AFDC or SSI.
- b. When it is verified that a person is to be deleted from the b.u.
- (1) Verify any changes in monthly income and resources.
  - (2) Recompute the budget.
  - (3) Terminate assistance if he is the only eligible person in the b.u.

**D. Changes in Income**

**NOTE:** Refer to II.E. below, for computation procedures.

Consider an increase or decrease in income the month in which it is received.

1. Refer to MA-2250 to determine countable monthly income.
2. Verify and use the countable monthly income actually available for the time in the certification period which has already passed.
3. Follow procedures in MA-2250 to determine countable monthly income for future months.

**E. Computing Changes in Income, Maintenance Allowance, and/or Budget Unit Members**

1. Address multiple changes in the order in which they occurred.
2. Recompute the deductible for months in the c.p. prior to the change.
3. Compute the maintenance allowance adjustment (MAA) when the case is **M** for the entire certification period. Do not apply the MAA when the case changes from **C** or **N** to **M** or vice versa.
  - a. Compare countable income and the maintenance allowance for the number in the b.u. separately for each month in which there was a change.
  - b. Subtract the smaller amount from the larger amount for each month.
  - c. Total the amounts for all months when income was larger than the maintenance allowance.

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(II.E.3.)

- d. Total the amounts for all months when the maintenance allowance was larger than the income. This amount is the MAA (Maintenance Allowance Adjustment).
4. Subtract the MAA from the deductible for months prior to change. This is the adjusted deductible for the c.p.
5. Compare the adjusted deductible to the original deductible to determine if it has increased or decreased.
  - a. If the deductible has increased and the original deductible had been met, subtract the amount of the original deductible (which had been met) from the adjusted deductible to determine the amount of additional deductible to be met.
  - b. Apply any additional deductible in the remaining months of the certification period. Determine whether the additional deductible can be met.
    - (1) If it can, put the case in deductible status at the earliest possible date after allowing time for the timely notice.
    - (2) If it cannot, terminate after allowing time for the advance notice. See [MA-2420](#).
  - c. If the change in situation results in a decreased deductible, and the original deductible has already been met, enter the new authorization date, based on verifications of incurred medical expenses, in EIS.
6. Notify the **beneficiary** of any change in deductible status, allowing time for proper notice.
7. If the case had been authorized, enter into EIS:
  - a. The beginning date of a new deductible, or
  - b. An earlier authorization date if it is determined that a reduced deductible was met earlier than previously indicated, or
  - c. Termination.
8. If the deductible has increased and the original deductible had not been met, determine whether the increased deductible can be met.
  - a. If it can, another computer entry is not required until the new deductible is met.
  - b. If it cannot, terminate after allowing time for the timely notice. See MA-2420.

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(II.E.)

9. Explain the concept of deductible, if applicable.
10. Inform the **a/b** of other available services and make referrals as indicated.
11. If it appears that a **beneficiary** has been receiving increased income which he has willfully failed to report to the county dss, investigate the case for potential fraud. (See [MA-2900](#))
12. Examples:

**EXAMPLE:** Income below maintenance **N** allowance increases above **N** maintenance allowance:

A Social Security only **beneficiary** is certified and authorized for M-AD from April through September as CNNMP with no deductible. His income is less than the CN maintenance allowance for one. On June 4, he reports receipt of his first veteran's pension on June 1, which now puts him over the CN income limit. Case placed in deductible status effective July although deductible is calculated for 4 months (June-September).

Original Budget:

Social Security  
- \$20 exemption  
Countable monthly income  
- CN Maintenance allowance for 1  
\$0 No excess, eligible

Recomputed Budget:

Step (1)      Social Security  
                 - \$20 Exemption  
                 Countable monthly income  
                 - N Maintenance allowance for 1  
                 \$0 No excess, eligible

Step (2)      Gross monthly income (VA + SSA)  
                 - \$20 exemption  
                 Countable monthly income  
                 - M Maintenance allowance for 1  
                 Excess income  
                 x 4 months (June – September)  
                 Excess income for June – September



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(II.E.12.)

**EXAMPLE 2:** Income decreases:

A Social Security **beneficiary** is certified for **MAD** as **MN** from March 1 through August 31. He receives Social Security in excess of the MN maintenance level for 2. His spouse also receives wages. She reports on May 11 that her employment will end on May 15 due to a reduction in force by her employer.

Original Budget:

Gross monthly income (SSA + wages)  
- Maintenance allowance for 2  
Excess income  
x 6 months  
Deductible

Recomputed Budget:

- Step (1) Same as original budget except multiply excess income by 3 months (March – May).
- Step (2) Countable monthly income (SSA)  
- MN Maintenance allowance for 2  
Excess income  
x 3 months  
Excess income June – August
- Step (3) Excess income March – May  
+ Excess income June – August  
Adjusted deductible for 6 months period

If the deductible had already been met, proceed according to instructions in E.5, above.

**EXAMPLE 3:** Deletion of b.u. member; **beneficiary's** death:

An individual is certified for M-AA from July through December. His Social Security exceeds the **M** monthly maintenance allowance for 1. He dies on September 10. Re-compute the deceased **beneficiary's** budget as follows.

Monthly countable income  
- M Maintenance allowance for 1  
Excess income  
x 3 months (July - September)  
Adjusted deductible

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(II.E.12.)

**EXAMPLE 4:** B.U. decreases; both husband and wife have incomes:

A. An M-AA couple both receive Social Security. The wife dies in March. The certification period is January through June.

Original Budget:

Mr.'s income  
- Mrs.' income  
Gross monthly income  
- \$20 exemption  
Total countable income  
x M Monthly maintenance allowance for 2  
Excess income  
x 6 months  
Deductible

Recomputed Budget:

Step (1) Total countable income (Mr. & Mrs.)  
- M Maintenance allowance for 2  
Excess income  
x 3 months  
Deductible for January – March

Step (2) Mr.'s countable income  
- M Maintenance allowance for 1  
Excess income  
x 3 months  
Deductible for April – June  
+ Deductible for January – March  
Mr.'s total deductible

B. The same situation described above, except that the husband dies in April. The wife's Social Security benefit as a widow will not increase within this certification period. Her income is less than the **M** monthly maintenance allowance for 1.

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(II.E.12.)

Recomputed Budget:

Jan. - April	Step (1)	Total countable income (Mr. & Mrs.)
		- <u>M Maintenance allowance for 2</u>
		Excess income
	x	<u>4 months (January - April)</u>
		Deductible
May - June	Step (2)	M Maintenance allowance for 1
		- <u>Mrs.' monthly countable income</u>
		Balance
	x	<u>2 months (May - June)</u>
		Maintenance allowance adjustment (MAA)
	Step (3)	Deductible for January – April
		- <u>MAA for May – June</u>
		Adjusted deductible January - June

**EXAMPLE 5:** Medically Needy **beneficiary** begins receiving SSI: An M-AD **beneficiary** has a certification period of January through June. He is financially ineligible for SSI due to his income from a disability benefit from former employment. In March he applies for SSI because his disability income will terminate 3-31-03. On April 14, the IMC learns that the **beneficiary** was authorized for SSI Medicaid effective 4-1-03.

Original Budget:

	Gross monthly income (RSDI and disability income)
-	<u>\$20 exemption</u>
	Total countable income
-	<u>MN Monthly maintenance allowance for 1</u>
	Excess income
x	<u>6 months (January – June)</u>
	Deductible

Recomputed Deductible:

	Total countable income
-	<u>MN Monthly maintenance allowance for 1</u>
	Excess income
x	<u>3 months (January – March)</u>
	Deductible

**F. Changes in Reserve**

1. Verify the change in reserve according to instructions in MA-2230, Financial Resources.

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(II.F.)

2. Record all verifications, including those items which are excluded from the reserve determination, on the verification redetermination form and the Reserve History Sheet.
3. Transfer of Real or Personal Property  
  
Follow the regulations and procedures outlined in MA-2240, Transfer of Assets

**G. Cessation of Disability/Blindness**

Eligibility for Medicaid for M-AABD **beneficiaries** ends if disability ceases unless the **beneficiary** is HCWD Basic Coverage Group([see MA-2180](#)).

1. M-ABD **Beneficiaries** Receiving Social Security Disability Benefits
  - a. If Social Security benefits are terminated because of cessation of disability/blindness, refer to [MA-2525](#), Disability, for procedures, including procedures for evaluating **beneficiaries** who are working.
  - b. If SSA benefits received as a disabled adult child are terminated due to cessation of disability of the wage earner, verify whether the disabled adult child continues to meet the level of disability specified by SSI. (DO NOT TERMINATE BASED ON CESSATION OF SOCIAL SECURITY BENEFITS UNLESS THE CHILD HAS CEASED TO BE DISABLED.)
2. M-ABD **Beneficiaries** Not Receiving Social Security Disability Benefits

If the IMC has reason to believe that disability/blindness has ceased, (for example, **a/b** working full time), request a review of disability/blindness by submitting information to DDS. Refer to MA-2525, Disability.

**H. Change in Aid Program/Category**

1. Changes in aid program/category are restricted. See EIS Manual to determine whether proposed transfer is allowed.
2. If a transfer is allowed, the 6 months certification period must be retained.

**EXAMPLE:** An M-AD **beneficiary** is certified April - September. He becomes 65 in June. His certification period remains April – September; however, you change the aid program/category to MAA effective July 1, 2003.