

DMA

CHANGE NOTICE FOR MANUAL

DATE: JANUARY 1, 2011

Manual: Family and Children's Medicaid
Change No: 02-11
To: County Directors of Social Services
Effective: January 1, 2011

I. BACKGROUND

Session Law 2010-68 provided for the collaboration between the Division of Medical Assistance and the Department of Insurance to establish a qualified Long Term Care Partnership Program policy which will provide both a resource disregard at application for LTC Medicaid or CAP and resource protection at estate recovery.

Individuals who have used a qualified Long Term Care Partnership policy are eligible for a resource disregard at application for LTC Medicaid or CAP and resource protection at estate recovery. The amount of the resource disregard and resource protection at estate recovery may be equal to the amount paid out on behalf of the individual from the qualified Long Term Care Partnership policy. A qualified Long Term Care Partnership policy provides a mechanism for individuals to qualify for coverage of the cost of care under Medicaid, or CAP services, without first being required to substantially exhaust their resources, and will also substantially reduce the burden on the state Medicaid program by encouraging individuals to obtain private long-term care insurance.

The definition of estate is different from other applicants and recipients. The definition of estate for those who receive the resource disregard due to the use of a qualified Long Term Care Partnership policy includes all real and personal property owned at the time of death and those assets conveyed to a survivor, heir or assignee, life estates and living trusts, ownership interests in joint tenancy with rights of survivorship, tenancy in common and any other arrangement.

II. CONTENT OF CHANGE

A. MA-3320, Resources, is revised to add III.C which includes a definition of Long Term Care Partnership policy and provides a reference to ABD MA 2230 in section XII. D.

B. MA-3326, Estate Recovery, is revised to include:

1. II. A. 8. states that the long term care Medicaid applicant who used a qualified Long Term Care Partnership policy may receive a resource disregard and protection at estate recovery up to the amount paid out on their behalf from their qualified Long Term Care Partnership policy as of the date of application for long term care Medicaid or CAP.
2. The definition of estate is different from other Medicaid applicants and recipients. II.C. Defines 'estate' for individuals who have received a resource disregard due to their use of a qualified Long Term Care Partnership policy. For these individuals, estate includes all real and personal property owned at the time of death and those assets conveyed to a survivor, heir or assignee, life estates and living trusts, ownership interests in joint tenancy with rights of survivorship, tenancy in common and any other arrangement.
3. IV.C. Is changed to provide instruction regarding qualified Long Term Care Partnership policies and the completion of the DMA-5056.

III. EFFECTIVE DATE AND IMPLEMENTATION

This policy is effective January 1, 2011. Apply this change to applications taken and redeterminations started on or after January 1, 2011, as well as those applications currently in process only for months beginning January 2011 or later.

IV. MAINTENANCE OF MANUAL

A. Remove: MA-3320, Resources, pages 3-4

Insert: [MA-3320](#), Resources, pages 3-4 dated January 1, 2011

B. Remove: MA-3326, Estate Recovery, pages 1-4 and 9-12

Insert: [MA-3326](#), Estate Recovery, pages 1-4 and 9-12 dated January 1, 2011

If you have questions regarding this information, please contact your Medicaid Policy Representative.

Craig L. Gray, MD, MBA, JD, Director

CLG:cmm

(This material was researched and written by Cynthia Mobley, Policy Consultant, Medicaid Eligibility Unit)