

# **CHANGE NOTICE FOR MANUAL NO. 26-07, FINANCIAL RESOURCES TECHNICAL CORRECTIONS**

**DATE: NOVEMBER 19, 2007**

**Manual:** Aged, Blind, and Disabled Medicaid  
**Change No:** 26-07  
**To:** County Directors of Social Services  
**Effective:** December 1, 2007

## **I. BACKGROUND**

The Aged, Blind, and Disabled Medicaid Manual Change Notice 25-07, issued November 1, 2007, disclosed numerous errors in MA-2230, Financial Resources, regarding the number four. Due to technical issues the number four changed erroneously to the number five. Those errors and others were detected early and have been corrected. This change notice reflects error corrections along with additional policy information.

## **II. CONTENT OF CHANGE**

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

Special Needs Trust has been changed as follows.

1. Special Needs Trust - A specific trust that meets all the following conditions:
  - a. It was created on or after April 1, 1994, and
  - b. It is created for the sole benefit of a disabled individual (as determined by SSA) under age 65, and
  - c. It is established with the disabled individual's assets, and only after any Medicaid lien on funds recovered from third parties has been paid in full. See MA-2400, Third Party Recovery, regarding tort liability and assignment of rights to third party payments, and
  - d. It is established for the disabled individual under age 65 by his parent, grandparent, legal guardian, or by a court, and
  - e. It must contain a provision that states upon death of the individual or upon the termination of the trust for other reasons the State receives all amounts remaining

in the Trust up to an amount equal to the total amount of medical assistance paid on behalf of the individual under the State Medicaid Plan, and

- f. If proceeds of a settlement on behalf of the Medicaid applicant/recipient are used to purchase structured settlement payments, annuities, or other forms of an income stream payable to the Trust over time, the Trust must remain the designated payee. There must be no alternate designated payee named in the contract for the payments until the Trust has been properly wound up and the State has been reimbursed. This ensures that all remaining Trust assets will be available to reimburse the Division of Medical Assistance upon the death of the individual or termination of the Trust for other reasons.

#### **E. MA-2301, Conducting A Face-To-Face Interview**

If an individual has questions about a Certificate of Creditable Coverage refer him to Electronic Data Systems (EDS) at 1-800-688-6696 or Automated Voice Response (AVR) at 1-800-723-4337.

### **III. EFFECTIVE DATE AND IMPLEMENTATION**

This policy is effective December 1, 2007. Apply this policy at each redetermination started on or after December 1, 2007, and each application taken on or after December 1, 2007.

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

**A. Remove: MA-2230, Financial Resources, pages 1-4, 13-16, 21, 22, 25, 26, 47-50, 55-58, 61-64, 67-72, 85-104, 109, 110.**

**Insert: [MA-2230](#), Financial Resources, pages 1-4, 13-16, 21, 22, 25, 26, 47-50, 55-58, 61-64, 67-72, 85-104, 109, 110.**

**E. Remove: MA-2301, Conducting A Face-To-Face Interview, pages 19 and 20.**

**Insert: [MA-2301](#), Conducting A Face-To-Face Interview, pages 19 and 20.**

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

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(This material was researched and written by Sandi Morrow, Policy Consultant Medicaid Eligibility Unit.)