



# Bulletin

**NUMBER**

#16-21-01

**DATE**

February 24, 2016

**OF INTEREST TO**

County and Tribal Directors

Social Services Supervisors  
and Staff

Financial Assistance  
Supervisors and Workers

Mille Lacs Tribal TANF

HealthCare Eligibility  
Operations Managers,  
Supervisors and Staff

County and Tribal  
Collection Workers

**ACTION/DUE DATE**

Please read information  
and prepare for  
implementation.

**EXPIRATION DATE**

February 24, 2018

## **DHS Explains MA for LTC-Facility Services for Families with Children and Adults**

**TOPIC**

Medical Assistance for long-term-care-facility services for families with children and adults

**PURPOSE**

Provide guidance on policy and processes for families with children and adults who are in need of long-term-care services in a long-term-care facility

**CONTACT**

Health Care Eligibility Operations and county and tribal agencies should submit questions via HealthQuest.

For estate recovery questions, contact Dale Klitzke:

Dale Klitzke, Manager/Attorney  
PO Box 64995  
St. Paul, MN 55164  
651-431-3108

**SIGNED**

NATHAN MORACCO  
Assistant Commissioner  
Health Care Administration

**TERMINOLOGY NOTICE**

The terminology used to describe people we serve has changed over time. The Minnesota Department of Human Services (DHS) supports the use of "People First" language.

## I. Notes about This Bulletin

This bulletin uses the following abbreviations:

- “CMS” for “Centers for Medicare & Medicaid Services”
- “DHS” for “Minnesota Department of Human Services”
- “FCA” for “families-with-children-and-adults” (as in “FCA eligibility basis”)
- “LTC” for “long-term-care” (as in “LTC services” or “LTC facility”)
- “MA” for “Medical Assistance”
- “MAGI” for “modified-adjusted-gross-income” (as in “MAGI income methodology”)
- “HCPM” for “Minnesota Health Care Programs Manual”

“We,” “us,” and “our” refer to DHS.

## II. Background

On February 21, 2014, CMS issued [State Medicaid Director Letter #14-001](#). The letter provides guidance on how liens, adjustments, and recoveries, as well as the uncompensated-asset-transfer rules and LTC budgeting rules, apply to people who are eligible for MA using the MAGI income methodology.

The letter instructs states to not apply LTC budgeting rules to people who get services in an LTC facility and are eligible for MA using the MAGI income methodology. The letter clarifies that states should, however, continue to apply uncompensated-asset-transfer rules, and that these people must also meet the other eligibility rules for MA for LTC services, including these:

- The person must meet the nursing facility level-of-care requirements.
- The person cannot have home equity in excess of the home equity limit.
- The person must name the state the remainder beneficiary of certain annuities.

The following people are still subject to LTC budgeting rules:

- people who are receiving services in an LTC facility and whose MA eligibility is not determined using the MAGI income methodology
- people who get services through the Elderly Waiver program and have a community spouse
- people without a community spouse who have income below the special income standard for the Elderly Waiver program

### III. Families with Children and Adults in LTC Facilities

The following rules apply to people with an FCA eligibility basis who request MA for LTC services received in an LTC facility:

- An asset assessment for married people is not required because these people are not subject to an asset limit. However, either spouse can request an asset assessment at the time of the first continuous period of institutionalization even if the couple is not subject to an asset limit. See [HCPM, section 19.45, Asset Assessments](#).
- The person must not be subject to a transfer penalty. See [HCPM, section 19.40, Transfers](#).
- The person must not have home equity in excess of the limit. See [HCPM, section 19.55, LTC Home Equity Limit](#).
- The person must name DHS as a preferred remainder beneficiary of certain annuities. See [HCPM, section 19.25.30.10, Naming DHS a Preferred Remainder Beneficiary](#).
- The person does not have to contribute toward the cost of the LTC-facility services.
- We will not file an MA lien on real property owned by an MA recipient who is eligible for MA for LTC services and who was determined eligible for MA using the MAGI income methodology. Refer to Bulletins [#14-21-03](#) and [#14-21-03C](#) for more information.
- Neither we nor the county can recover from the estate of a deceased MA recipient who received MA for LTC services **before** the age of 55 and received those benefits while eligible for MA using the MAGI income methodology. Refer to Bulletins [#14-21-03](#) and [#14-21-03C](#) for more information.
- We or the county will seek recovery from the estate of a deceased MA recipient who received MA for LTC services **at or after** the age of 55 and received those benefits while eligible for MA using the MAGI income methodology. If necessary, we or the county will also recover for these benefits from the estate of the deceased recipient's spouse. Refer to Bulletins [#14-21-03](#) and [#14-21-03C](#) for more information.

An MA enrollee with an FCA eligibility basis who is in or will enter an LTC facility must submit the [MHCP Payment of Long-Term Care Services \(Families with Children and Adults\) form \(DHS-3543A\)](#) to the enrollee's local agency to request MA for LTC services. The local agency uses the information on the form to determine whether the person is eligible for MA for LTC services.

When a person who is receiving or requesting MA for LTC services is admitted to an LTC facility, the facility must submit a [Physician Certification form \(DHS-1503\)](#) to the local agency where the facility is located or the local agency where the person lived before entering the LTC facility. The date in box 11 on the DHS-1503 form indicates the date the person entered the LTC facility. This date is the date eligibility for MA for LTC services should begin if the person meets all eligibility criteria.

For more information about MA for LTC services, see HCPM, [Chapter 23, MA Payment of Long-Term Care \(LTC\) Services](#).

## **IV. Action Required**

Continue to apply the policy described in Sections II and III. That policy took effect January 1, 2014, and we provided county and tribal agencies with information about the policy in 2014. This bulletin replaces earlier communications about the policy that took effect January 1, 2014.

We have been monitoring cases and contacting workers to correct cases to ensure that people with an FCA basis of eligibility are not required to pay an LTC spenddown. We will continue to monitor cases and contact workers to ensure people with an FCA basis of eligibility are not required to pay an LTC spenddown.

## **V. Systems Instructions**

The ONEsource procedure MA for Families with Children and Adults Who Enter a LTCF – MAXIS, posted November 7, 2014, instructed workers to submit a request for guidance to HealthQuest if a person with an FCA eligibility basis, whose eligibility for MA had been determined in the Minnesota Eligibility Technology System (METS) (formerly the new eligibility system), entered an LTC facility. The guidance was necessary because of a problem with the interface of information from METS to MMIS overwriting information on the RLVA screen in MMIS. This problem has been corrected. We are issuing a new ONEsource procedure in conjunction with this bulletin outlining the steps you should take when entering eligibility for MA for LTC services in MMIS for a person with an FCA eligibility basis who enters an LTC facility and requests MA for LTC services.

## **VI. Americans with Disabilities Act (ADA) Advisory**



For accessible formats of this publication or assistance with additional equal access to human services, write to [DHS.info@state.mn.us](mailto:DHS.info@state.mn.us), call 651-431-2283 (voice) or toll free at 888-938-3224, or use your preferred relay service. (ADA1 [9-15])