

# Long-Term Care Medicaid Financial Eligibility Overview

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Lisa Racine – LTC Benefits Program Administrator

Department of Vermont Health Access

# Agenda

- General financial eligibility requirements for LTC Medicaid in Vermont
- Resources
- Income
- Look-back period
- Transfers and penalties
- Patient share obligation
- Eligibility review
- Appeal rights

## Who Is Eligible for LTC Medicaid?

- Long-Term Care Medicaid is available to an individual who:
  - Is aged, blind or disabled, and
  - Is in need of a certain level of care (determined by DAIL), and
  - Meets financial and non-financial criteria (determined by DVHA)
- Long-Term Care Medicaid can be provided in:
  - A nursing facility; or
  - Hospital Swing bed; or
  - Enhanced Residential Care home; or
  - Community setting

An individual must meet all financial and clinical criteria to qualify for  
Long-Term Care Medicaid

# Financial Eligibility

All non-financial criteria is met such as social security number, citizenship, and residency.

Current resources under the allowed limit

Current income under the allowed limit

Complete a five-year financial review to determine if any resources or income were transferred or given away for less than fair market value during the five years prior to the application date (look-back period)

Transfers for less than fair market value may result in a period of ineligibility (penalty period)

# Countable Resource Limits

\$2,000 – applicant

\$128,640 – applicant's spouse (1/1/2020)

\$5,000 – single applicant living in their home

NOTE: This means that the single homeowner gets an additional \$3,000 to the standard \$2,000 resource allowance

## Resources

Resources include but are not limited to:

- Cash on hand
- Bank/credit union accounts, checking, savings, etc.
- Stocks, bonds, mutual funds
- Real property

# Income

- Gross income must be verified:
  - Earned income (wages, salary, self-employment, etc.)
  - Unearned income (Social Security, pensions, annuities, etc.)
- Applicant's income limit:
  - \$2,349 – Institutional Income Standard (1/1/2020)
- Spousal allocation:
  - If the community spouse has monthly income less than \$3,216.00 (1/1/2020), they may be eligible for an allocation of income from the applicant
  - Must verify gross monthly income

## Look-back Period

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Federal rule requires 5 years of financial information

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Use eAVS to gather bank account balances for the 5 previous years

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Request Federal income tax returns and quarterly statements for investment accounts

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No look-back information required for any years someone is active on SSI (if no transfers)



# Transfers

A transfer of resources or income is defined as:

- Any action taken by the individual or their spouse that disposes of or reduces the individual's (or spouse's) ownership interest in the resource or income or limits their access to the resource or income

The date of the transfer is the date the action was taken

Any disallowed transfers may result in a penalty period

## Allowable Transfers

No transfer penalty will be imposed if:

- Fair market value was received for the property transferred, or
- The transfer occurred more than 5 years before the Medicaid application, or
- The transfer was permitted by rules

## Disallowed Transfers - Calculating Penalty Period

A penalty is applied for all disallowed transfers of income or resources.

Fair Market Value

- Allowable Deductions
  - Compensation received
- = Uncompensated value

Uncompensated value

- ÷ average daily cost of LTC private pay
- = number of penalty period days

## Penalty Period Example

\$150,000.00 - FMV

- 5,000.00 - legal fees

- 100,000.00 - compensation received

\$ 45,000.00 - uncompensated value

÷ 319.85 - average private pay rate (10/1/19)

**140-day penalty period**

## Patient Share

Once an individual is granted Long-Term Care Medicaid, a patient share is calculated

Individual pays the patient share to the individual's highest paid provider

Calculation:

Gross income - allowable deductions = patient share

Current patient share pays for previous month's care

- Example: income received in April pays for care received in March

# Eligibility Reviews



Long-Term Care Medicaid is reviewed annually



Complete annual review paperwork and provide all requested verification



Report changes timely and provide all requested verification



If the amount of an individual's patient share changes, the individual and provider will be notified of the new patient share amount.

## Appeal Rights

What if an individual disagrees with DVHA's decision?

- The individual can contact their caseworker for more information about how the decision was reached
- The individual may request a fair hearing (file an appeal) within 90 days of the decision

NOTE: Benefits may continue at previous level if an appeal is requested before the effective date of the change

# IMPORTANT

The information provided is based on Vermont's Medicaid rules and procedures in effect when presented and is subject to change.

Please do not rely on printed material that may be outdated.

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If individuals have questions about their specific situation, please seek competent legal advice.

Available legal resources in Vermont include:

Vermont Legal Aid at 1-800-889-2047

Vermont Chapter of the National Academy of Elder Law Attorneys at  
[www.vtnaela.com](http://www.vtnaela.com)



Questions?

