

Bulletin Number: MSA 15-11

Distribution: Bridges Administrative Manual (BAM) and Bridges Eligibility Manual (BEM) Holders

Issued: July 1, 2015

Subject: Estate Recovery Disregards in Medicaid

Effective: August 1, 2015

Programs Affected: Supplemental Security Income (SSI)-Related Medicaid

Under section 1917(b)(1)(C)(ii) of the Social Security Act and the Deficit Reduction Act of 2005, (Public Law 109-171) states are permitted to exempt Long-Term Care (LTC) benefits from estate recovery if the state has a State Plan Amendment (SPA) that provides for a qualified state LTC insurance partnership. A qualified state LTC partnership provides for the disregard of resources at the initial eligibility determination and when determining estate recovery obligations, in an amount equal to the LTC insurance benefits paid to, or on behalf of, an individual who has received Medicaid.

The State of Michigan has received State Plan approval from the Centers of Medicare and Medicaid Services and intends to implement a LTC Partnership policy effective August 1, 2015.

The insurance benefits that will be disregarded include benefits paid as a direct reimbursement of LTC expenses, or as a per diem benefit. A LTC partnership policy does not have to be exhausted before the disregard of resources can be applied. The amount that is disregarded at the eligibility determination or case closure is the same amount that will be protected during estate recovery.

There are no changes to other policies that affect Medicaid payment for nursing facility services or other LTC services (home equity, divestment, trust and annuity policy, etc.).

Long-term care insurance partnership policies must meet certain conditions under the insurance code to qualify as a partnership policy; these conditions are under the authority of the Department of Insurance and Financial Services (DIFS). Changes to the insurance code will be forthcoming from DIFS.

Manual Maintenance

Retain this bulletin until the information is incorporated into the Bridges Eligibility Manual and Bridges Administrative Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved



Kathy Stiffler, Acting Director
Medical Services Administration