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**INSTITUTIONALIZATION  
LTC BUDGETING PROCESS**

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**D. AFDC OR  
FOSTER  
CHILDREN  
ENTERING  
LTC**

When an AFDC, AFDC-related or Foster Child receiving Medicaid with DHS as the source enters LTC, a separate application for LTC coverage is required, or is not required, as follows:

- If the admission is to a PRTF (Psychiatric Residential Treatment Facility), no separate application for Medicaid as MAO is required as long as the DHS source of eligibility remains open. A vendor payment to the PRTF can be authorized by entering the case in MEDS as "SSI/DHS Only."
- If an admission to a LTC Nursing Facility or ICF-MR will be or is less than 30-consecutive days, no separate application for LTC Medicaid is required. A vendor payment to the facility can be authorized by entering the case in MEDS as "SSI/DHS Only."
- If an admission to a LTC Nursing Facility or ICF-MR will be or is more than 30-consecutive days, a separate application for MAO or SSI as a disabled individual must be filed for the child. DDS must determine that the child is disabled and the child must be income/resource eligible before the nursing facility vendor payment will be authorized.

**1. MAO or SSI  
Application  
Filed**

If a LTC Nursing Facility or ICF-MR placement will exceed 30-consecutive days, an application for MAO coverage in LTC must be filed with the Regional Office that handles the county either where the parent(s) live or where the county DHS office with custody is located.

If preferred, the parent or DHS office with custody can file an application for SSI for the child. The Regional Office handling the case for vendor payment purposes must verify with SSA that an application for the child has been filed.

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**2. Authorizing  
LTC Vendor  
Payment  
for Nursing  
Facility or  
ICF-MR  
Placements**

During the application period for MAO or SSI the case can be set up in MEDS the same as an "SSI/DHS only" case. An approved 260 Form must be obtained (if appropriate) and the child's income and resources verified prior to authorizing the vendor payment. A notice to the representative and a 317 to the facility is then required.

If the child is determined eligible for LTC on all factors, the Regional Office must advise the county DHS office to terminate the child's Medicaid eligibility through AFDC or foster care if they have not already done so. Once the DHS is closed, the MAO application can be approved in MEDS.

If the child is not eligible for LTC, the vendor payment must be terminated by the Regional Office regardless of whether DHS closes out the child's Medicaid eligibility for AFDC or foster care.

**3. DHS-Only  
Case Records  
for PRTF  
Admissions**

The PRTF facility, whether in State or out of State, must issue a DOM-317 to the appropriate Regional Office advising of the admission. Upon receipt of the DOM-317, the Regional Office will:

- Set up a "DHS-Only" case record for the purpose of calculating liability and LTC and filing notices/317's. The child's income must be verified only if the child receives income in his/her own name. Do not count any portion of a TANF payment or Foster Care payment as Medicaid Income unless the income is made available to the child. Issue the DOM-317 to the PRTF.
- The case will be set up in MEDS as "SSI/DHS-Only." DO NOT ENTER THE PRTF ADDRESS AS EITHER THE CARD MAILING OR NOTICE MAILING ADDRESS. All notices and the Medicaid card must be issued to the parent or representative of the child or to the DHS county office with custody of the child.

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- Check with the PRTF at least every 3 months to make sure the child is still a resident of the facility.