

# MISSISSIPPI DIVISION OF MEDICAID

## Eligibility Policy and Procedures Manual

### 303.01.02 CHECKING/SAVINGS ACCOUNTS

Funds maintained in checking and savings accounts are usually payable on demand. When an individual has unrestricted access to an account, all of the funds in the account are considered as a resource to the owner of the account, regardless of who deposited the funds. (Refer to 303.01.02A for a discussion of joint ownership.)

A fiduciary or trustee is authorized to act on behalf of or for the benefit of another person. A fiduciary's right to withdraw funds is the same as the account owner's right to withdraw them.

#### Types of Checking Accounts

There are different types of checking accounts. NOW (Negotiable Order of Withdrawal) accounts are interest-bearing checking accounts. Super NOW accounts are money market checking accounts with higher rates of interest than NOW accounts. Money Market Deposit Accounts (MMDA) are interest-bearing checking accounts, which allow banks to compete with mutual fund money markets.

#### Asset Verification System (AVS)

Federal regulations require states to implement an electronic match with financial institutions to verify assets for Medicaid eligibility. Mississippi is a 2010 phase-in state. When implemented, the AVS process will be applicable to aged, blind and disabled coverage groups subject to an asset test, i.e., long term care, HCBS, and other full benefit groups.

At each application and redetermination, a request for information on an individual's financial accounts will be submitted through AVS. The system will search for open and closed accounts (declared or undisclosed), including the 5-year look back period for long term care cases.

More information will be provided prior to implementation. Until that time the instructions provided below for verifying financial accounts are applicable.

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### **CHECKING/SAVINGS ACCOUNTS** (Continued)

#### **Procedure**

##### **Development of Bank Accounts**

There is a high potential for error in developing bank accounts; therefore, it is important for the specialist to fully investigate all of a client's allegations about bank accounts. Unless eligibility is being denied for another reason, the specialist must search for leads into the possible existence of bank accounts.

Skillful questioning may produce leads which can be used to detect undisclosed resources.

It is important that the following explanations be made to the applicant or representative:

- Information about all savings accounts, checking accounts or time deposits, which show the client's name or the name of someone whose resources must be deemed to the client, must be furnished, regardless of:
  - The amount on deposit, or
  - In what capacity the name of the client or deemor appears on the account.  
or
  - Any special purpose for which the account was established, or
  - Whether or not the client considers any of the funds to belong to him.

##### **Verification of Bank Accounts**

- Request the client's own records (statements, print-outs, etc.) as verification of activity on the account and to establish account balances.
- The DOM-330, Request for Financial Information, can be used to supplement incomplete information or records provided by the client to establish the existence of accounts and verify account activity.

**NOTE:** Do not consider as a resource any amounts counted as income for the same month.

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Procedure
<p data-bbox="250 506 646 541"><b><u>Treatment of Bank Accounts</u></b></p> <ul data-bbox="302 583 1393 814" style="list-style-type: none"><li data-bbox="302 583 1393 659">• Assume the person designated as the owner in the account title owns all the funds in the account. (Refer to 303.02.02A for joint bank accounts.)</li><li data-bbox="302 701 1393 814">• Absent evidence to the contrary, assume that the person shown as the owner in the account title has the legal right to withdraw funds and use them for support and maintenance.</li></ul> <p data-bbox="250 856 594 892"><b><u>Evidence to the Contrary</u></b></p> <p data-bbox="250 934 1393 1123"><b>Example:</b> An account is titled "In trust for John Jones and Mary Smith, subject to sole order of John Jones, balance at death of either to belong to survivor". Since John alone has unrestricted access, none of the funds in the account could be considered Mary's resources <u>unless</u> John is her fiduciary or his resources are deemed available to her.</p> <p data-bbox="250 1165 1393 1312"><b>Example:</b> An account is titled " George Dahey, restricted Individual Indian Money Account". Mr. Dahy cannot withdraw funds from the account without the authorization of the Bureau of Indian Affairs. Therefore, the account is not his resource.</p>

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### CHECKING/SAVINGS ACCOUNTS (Continued)

#### Procedure

#### **Special Development for Applicants**

Use the special development procedures below for all applications and any existing cases which have not been developed previously to document additional information on banking activities and possible undisclosed accounts.

#### **Step One: Obtain Information About the Applicant's Past and Present Business Activities**

Ask the applicant about past and present business activities:

- Where does the applicant cash or deposit checks?
- Where does the applicant buy money orders?
- Where or from whom has the applicant borrowed money in the past five years?
- Has the applicant ever owned a home or land? If so, where is it located? Was it sold or given away?
- Does the applicant have a special savings account or a Christmas Club?
- Does the applicant's name appear on any account which the applicant considers to belong to someone else?
- Does the applicant have money set aside money for emergencies? If so, how much?

#### **Step Two: Obtain Verification of Accounts**

If a financial institution is identified through questioning, verify accounts by using the client's records or DOM-330, Request for Financial Information.

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### **CHECKING/SAVINGS ACCOUNTS (Continued)**

#### **303.01.02A JOINT CHECKING/SAVINGS ACCOUNTS**

Except for account ownership, all instructions in 303.01.02 apply to joint bank accounts. The information in this section pertains only to ownership of joint bank accounts.

##### **303.01.02A1 OWNERSHIP ASSUMPTIONS FOR JOINT ACCOUNTS**

Assume ownership as follows when the client has unrestricted access to the account:

##### **Ownership When Medicaid Client is Joint Owner with an Ineligible Individual(s)**

Count the total value of the account when the Medicaid applicant/recipient holds funds jointly with an ineligible individual(s), regardless of the source of the funds.

##### **Ownership When More Than One Medicaid Client is an Account Holder**

Count an equal share of the account if two or more Medicaid applicants/recipients are holders of the same joint account, regardless of the source of the funds. If the account is also jointly-held with ineligible individuals, do not allow a share of the funds to ineligible individuals.

##### **Deemors**

If one or more account holders is a deemor and none of the account holders is a client, assume all of the funds in the account belong to the deemor or in equal shares if more than one deemor.

##### **Explanations to Client**

Individuals with joint bank accounts should be informed of:

- The applicable assumption of ownership;
- The right to provide evidence rebutting the ownership assumption, if he or she disagrees with it.

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### 303.01.02B REBUTTAL OF JOINT CHECKING/SAVINGS ACCOUNTS

An applicant or recipient may rebut ownership of part or all of the funds in a jointly-held account. The client is responsible for providing verification to support this claim.

#### Rebuttal Procedures

If an applicant or recipient wishes to rebut the applicable ownership assumption, the client and each joint owner must submit corroborating statements and necessary verification to document the following for the months for which ownership is an issue:

**NOTE:** If the only other account holder is incompetent or a minor, obtain a corroborating statement from anyone aware of the circumstances surrounding establishment of the account.

- Bank name, account number, names of account holders
- Ownership of the funds, including amounts if partial ownership is claimed
- Reasons for establishing a joint account
- Who has made deposits to and withdrawals from the account
- Verification of the deposits, withdrawals and interest, e.g., pay stub, award letter, cancelled checks, account records, etc.
- How the withdrawals have been spent
- If the client owns none of the funds, evidence showing that he/she can no longer withdraw funds from the account
- If the client owns only a portion of the funds, evidence showing removal of the client's funds from the account or removal of the funds owned by the other account holder(s) and redesignation of the account

Document the determination in the record.

- Any funds that the evidence establishes were owned by the other account holder(s), and that the client can no longer withdraw from the account, were not and are not the client's resources. That is, rebuttal is both retrospective and prospective. However, these funds can be deemed to be available to the client if the account holder to whom the funds belong is a deemor.