

# MISSISSIPPI DIVISION OF MEDICAID

## Eligibility Policy and Procedures Manual

### 303.01 COUNTABLE RESOURCES

#### Introduction

The resources discussed in the previous section could either be totally excluded in the resource determination or counted, in part or in whole, depending on the type of resource or case circumstances. In this section the treatment and verification of resources which are countable under SSI and liberalized resource policy are discussed.

#### 303.01.01 CASH

Cash is a countable resource and is defined as money on hand that is in the form of coin or currency.

Procedure
<ul style="list-style-type: none"><li>• Accept the client's allegation of cash on hand, regardless of amount – do not ask to see or count cash.</li><li>• Explain to the individual that cash on hand includes amounts he has on his person or at home.<ul style="list-style-type: none"><li>○ In addition, it includes cash belonging to him which is kept elsewhere, such as in a safety deposit box or by another individual.</li></ul></li><li>• Foreign currency or coins are cash to the extent they can be exchanged for U. S. currency</li></ul>

**NOTE:** Coin collections are not considered cash, even though they are a resource. The value of coin collections is based on a collector's value and determined by knowledgeable source estimate. Refer to Section 302.06.03 for treatment of other personal property.

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

Procedure
<p><b><u>Treatment of Bank Accounts</u></b></p> <ul style="list-style-type: none"><li>• 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>• 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><b><u>Evidence to the Contrary</u></b></p> <p><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><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.

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### 303.01.03 FUNDS HELD IN ANOTHER INDIVIDUAL'S ACCOUNT

Count the value of funds deposited or held for an applicant/recipient in an account that does not have the client's name on it if:

- The holder(s) of the account agrees that the funds on deposit, or a portion thereof, belong to the applicant/recipient, and
- The funds are available to the client.

If some or all of the funds are acknowledged as belonging to the client and are available, the account is treated as a countable resource to the extent the funds belong to the client.

Documentation will include written statements from the client and the holder(s) of the account.

**NOTE:** Entitlement income deposited into an account which is not owned by the client does not alter the fact that the income belongs to the client and is used to determine eligibility and Medicaid Income (if applicable).

In addition, funds belonging to the client (including non-entitlement income) deposited into another person's account and not accessible to the client are subject to a transfer penalty, if applicable. A transfer may exist even if the funds are not acknowledged as belonging to the client when evidence indicates the client's funds are deposited and retained in the account.



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### 303.01.04 TIME DEPOSITS

A time deposit is a contract between an individual and a financial institution whereby the individual agrees to leave funds on deposit for a specified period of time (six months, two years, five years, etc.) and the financial institution agrees to pay interest at a specified rate for that period. Certificates of Deposit and savings certificates are common forms of time deposits.

**NOTE:** The assumptions regarding ownership of bank accounts, discussed in the previous section, also apply to time deposits.

#### Early Withdrawal

Withdrawal of a time deposit before the specified period expires incurs a penalty which is usually imposed against the principal. The penalty does not prevent the time deposit from being a resource, but it does reduce its value as a resource.

Treatment
<p>The resource value of a time deposit at any given time is the amount the owner would receive upon withdrawing it at that time, excluding interest paid that month. Generally this is:</p> <ul style="list-style-type: none"><li>• Amount originally deposited</li><li>• Plus accrued interest for all but the current month and</li><li>• Minus any penalty for early withdrawal</li></ul>

#### Early Withdrawal Prohibited

On rare occasions, the terms of a time deposit may prohibit early withdrawal altogether. When early withdrawal is prohibited, handle principal and interest as follows:

Treatment
<p><b>Principal</b> - If the owner of a time deposit cannot under any circumstances withdraw the principal before it matures, the principal is not a resource. It becomes a resource (not income) on the date it matures and may affect countable resources for the following month.</p> <p><b>Interest</b> – If the owner has no access to the interest before the deposit matures, accrued interest is also not a resource. Do not count the interest as income in the month the deposit matures, but as a resource the month after maturity.</p>

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### 303.01.05 CONSERVATOR ACCOUNTS

The term “conservatorship account” refers to a financial account in which a person or institution has been appointed by a court to manage and preserve the assets of an individual which are held in the account.

#### Treatment

Absent evidence to the contrary, the funds are available for the individual’s support and maintenance and are countable as that person’s resource. For verification of the account, refer to the court order establishing it.

**NOTE:** The fact that an individual has to petition the court for withdrawal of funds does not mean the funds may be assumed to be unavailable.

The denial of a request for withdrawal of funds by the court does not necessarily mean the funds in the account are unavailable for the individual’s support or maintenance.

A history of the petitions for and approvals and denials of funds may reveal the court approves petitions to withdraw funds to provide maintenance and support and only denies non-essential items or that the court’s denial of a request is the exception rather than the rule. In either instance, the funds are considered an available resource.

### 303.01.06 PATIENT ACCOUNTS

A nursing home patient account is a financial account set up by the nursing home for the convenience of the patient. These accounts are similar to a checking and/or savings account. The facility holds funds belonging to the patient for the patient’s use. For Medicaid purposes, a patient account is treated in the same manner as a checking or savings account.

### 303.01.07 CHARITABLE FUNDS BANK ACCOUNTS

Count the value of funds in an account set up to receive and hold charitable contributions (fundraisers) if the name of the applicant/recipient is on the account and the funds are available to the applicant/recipient for support and maintenance.

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### 303.01.08 CONTENTS OF SAFETY DEPOSIT BOX

Some or all of the contents of a safety deposit box may be countable as resources.

Procedure
<p>Determine if the applicant/recipient has a safety deposit box.</p> <p>To verify the contents of a safety deposit box, obtain a signed statement from the applicant/recipient, spouse or authorized representative listing the contents of the box.</p> <p>If the client reports potentially countable resources, apply appropriate policy based on the type of resource reported (stock certificates, coins, jewelry, life insurance policies, etc.) to verify and value the resource.</p> <p>If the client reports possessions stored in another person's' safety deposit box, determine whether the client has access to the safe deposit box by obtaining a statement from the owner of whether or not the client is allowed access to the belongings stored in the safety deposit box. If so, handle as discussed above.</p>

### 303.01.09 NON-HOME REAL PROPERTY

This is land and any permanent buildings/immovable objects attached to it that are not considered a principal place of residence.

Treatment
<ul style="list-style-type: none"><li>• Generally, this type of property is a countable resource.</li><li>• An exclusion may be developed if there is a bona fide effort to sell.</li><li>• Refer to procedures in following sections to verify ownership and valuation of the property: Section 301.07.07, Evidence of Real Property Ownership, and Section 301.07.08, Verifying Current Market Value.</li><li>• Determine equity value (CMV – payoff on any legal debt = EV). If jointly-owned, count the individual's share.</li></ul>

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### 303.01.10 529 PLAN

This is a state-sponsored investment program. Parents may fund these accounts to pay for a child's college education.

Treatment
<ul style="list-style-type: none"><li>• Parents are owners and the account is considered a resource.</li><li>• Withdrawal for reasons other than to pay for qualified college education is subject to income tax and an additional 10% penalty.</li><li>• Account statements may be used to verify ownership and value.</li></ul>