

# MISSISSIPPI DIVISION OF MEDICAID

## Eligibility Policy and Procedures Manual

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### **304.04.03 SPECIAL NEEDS TRUST (SNT) AND POOLED TRUSTS GUIDELINES AND RESTRICTIONS**

The MS Division of Medicaid has established guidelines and restrictions regarding payments and distributions from a Special Needs Trust or Pooled Trust that must be followed in order for either type of trust to meet or continue to meet the conditions for exception. A document entitled “Special Needs Trust and Pooled Trusts Guidelines & Restrictions” is located in the Appendix. This document must be given to each applicant or recipient who qualifies for Medicaid on the basis of a SNT or Pooled Trust. The document must be signed by the trustee and a copy provided to the trustee. File the original in the case record.

### **304.04.04 INCOME TRUSTS**

The purpose of an Income Trust is to allow an institutionalized individual with excess income who has exhausted all available resources to become eligible for Medicaid. This type of trust established for the benefit of the individual is limited to institutionalized clients, not those in a hospital setting. A recipient participating in the Home and Community Based Waiver program (HCBS) may also utilize an Income Trust for eligibility purposes. An Income Trust document is required. The Income Trust must meet the following requirements:

- The trust is composed only of the pension(s), Social Security, and other income of the individual, including accumulated interest in the trust; and,
- Upon the death of the individual, the Division of Medicaid receives all amounts remaining in the trust, up to an amount equal to the total medical assistance paid on behalf of the individual. To qualify for this exception, the trust must include a provision to this effect.

The Income Trust provision is designed to assist individuals who have too much income to qualify for Medicaid institutional care, but not enough income to pay private pay for the long term care needed. It is intended for individuals with excess recurring monthly income that causes ineligibility. The Income Trust is a binding document that directs how income received each month will be obligated. As a result, an Income Trust will not be allowed on a temporary or intermittent basis with the following exception: an Income Trust for monthly excess income that will be reduced at a future date will be allowed during the period of time the monthly income exceeds the Medicaid institutional limit.