305.03.03 Requirement to Name the State as Remainder Beneficiary on Annuities

The purchase of an annuity within the 5-year look-back period will be treated as a transfer of assets unless the Mississippi Division of Medicaid is named as a remainder beneficiary in the correct position as outlined below:

- This requirement applies to annuities purchased by the applicant or recipient, his/her spouse and to certain annuity-related transactions other than purchases made by the applicant/recipient or his/her spouse.
- An annuity must name the Mississippi Division of Medicaid as the remainder beneficiary in the first position for the total amount of Medicaid assistance paid on behalf of the institutionalized individual who is the annuitant unless there is a community spouse and/or a minor or disabled child.
- If there is a community spouse and/or minor or disabled child, the Mississippi Division of Medicaid may be named in the next position after those individuals.
- If the Mississippi Division of Medicaid is named beneficiary after a community spouse and/or minor or disabled child, and any of those individuals or their representatives dispose of any of the remainder of the annuity for less than fair market value, the Mississippi Division of Medicaid may then be named in the first position.

Verification must be provided to show that the Mississippi Division of Medicaid has been named as remainder beneficiary in the correct position on annuities purchased by an applicant/recipient or his/her spouse. If verification is not provided, the purchase of an annuity will be considered a transfer of assets for less than fair market value. The full purchase value of the annuity will be considered the amount transferred.

An annuity purchased prior to the 5-year look-back period is treated as a resource and/or income source, depending on the terms of the annuity as outlined in "Treatment of Annuities – General."