

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

306.05.05 DETERMINING THE CORRECT TRANSFER OF ASSETS DIVISOR TO USE FOR LONG TERM CARE (LTC) SERVICES IN A NURSING FACILITY

A transfer of assets penalty period for new applications is calculated using the monthly and daily transfer rate (divisor) in effect at the time of application. However, when a transfer is discovered after approval of an application, it is not always appropriate to use the divisor in effect at the time of application for active cases. For active cases, use the divisor in effect on the date of the most recent or current case action, as outlined below. A *case action* is considered initiated when the action is recorded in the system, i.e., the date the contact is created in the system to take action on the case associated with the transfer.

1. **New applications** – use the divisor in effect as of the date of application.
For example, a new LTC application is received 06/30/2014. Use the transfer divisor in effect June 2014 of \$5,700 to calculate a transfer period associated with the application, regardless of when the application is registered or approved in the system.
2. **Redeterminations** - use the divisor in effect at the time the redetermination contact is created to calculate a transfer penalty associated with the redetermination of an active case.

For example, a redetermination contact is created on 07/02/2014 on an active LTC case whose initial application for LTC was in 2009. A transfer that occurred in May 2013 is discovered during the redetermination process. Use the divisor in effect for July 2014 of \$5,920 for both the ongoing penalty period that begins after the rebuttal and advance notice period ends and for the improper payment period that begins in May, 2013 and continues through the month prior to the month the penalty is implemented in the system.

For example, assume the redetermination contact in the above example was created for a QMB recipient (eligible since 2009) entering LTC in June, 2014 but the redetermination contact is created 07/02/2014. Use the divisor in effect for July 2014 of \$5,920 for the transfer penalty that will begin effective 06/01/2014 (the month of entry into LTC and the month the recipient is otherwise eligible for LTC). No improper payment is involved since there is no prior LTC eligibility.

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3. **Special Reviews** – use the divisor in effect at the time the special review contact is created to calculate a transfer penalty associated with the special review.

For example, a LTC recipient, active since December 2010, transfers an asset in January 2013 but the transfer is not discovered until July 2014. The most recent redetermination contact was created in December 2013, but a special review contact must be created to impose an ongoing transfer penalty. The special review contact is created 07/07/2014. Use the divisor in effect for July 2014 of \$5,920 for both the improper payment period and the ongoing penalty period that must be created in the system after the rebuttal and advance notice period ends.

4. **If a case action in the system is not needed to remedy a transfer**, use the divisor in effect at the time of the most recent application, redetermination or special review of the case.

For example, a transfer is discovered on an active case but the penalty will not be ongoing so there is no case action created in the system. An improper payment will address the entire transfer period. In this instance, use the divisor in effect as of the last recorded case action.