

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

307.01.03 The Penalty Period

The period of ineligibility shall be equal to the lesser of:

- 30 months, or
- The number of months required to deplete the uncompensated value (UV) based on the total UV of the transferred resources divided by the average monthly cost of nursing facility services to a private pay patient.

30-Month Penalty

The 30-month period is calculated using the month of a transfer as the first month continuing through the 30th consecutive month, provided the transfer occurred on or after July 1, 1988. The 30-month period of ineligibility is imposed unless the UV/private-pay calculation results in a period of ineligibility less than 30 months.

Private Pay Calculation

The private pay calculation is based on a statewide average private pay cost of \$1,456.00 per month. In calculating the period of ineligibility, divide the UV by \$1,456.00 to determine the number of month that an individual will be ineligible for nursing home services. All calculations are rounded down to the nearest whole dollar.

Example: If the total UV is \$20,000, then $\$20,000 \div \$1,456 = 13.73$. Rounding down, the period of ineligibility would be 13 months, which is less than the 30-month penalty.

307.01.04 Determining the Period of Ineligibility

The month of the transfer is always “month one” of the period of ineligibility. As a result, the penalty period may be expired or near expiration as of the month of the application.

Example: A transfer with UV of \$5,000 occurs 7/5/88. Using the private pay calculation, the period of ineligibility for nursing facility services is 3 months, July through September. If the application is filed on or after October 1, 1988, the penalty period will have expired, although eligibility for all other Medicaid services is possible in the retroactive period.

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Determining the Period of Ineligibility (Continued)

If the UV does not result in ineligibility for at least one month, the transfer will not count.

Example: If the transfer is for \$1,000, which is less than the average private pay rate, no penalty applies for the month of the transfer.

Each transfer is evaluated based on the month the transfer occurred. If more than one transfer occurs in the same month, the UV is combined and the penalty period calculated on total UV for a particular month. If transfers crossover into different months, each transfer is evaluated separately and UV is not combined. The possible results would be overlapping penalty periods.

307.01.05 Exceptions to Transfer of Home Property

The transfer penalty will not apply to the transfer of home property by an institutionalized individual to the following family members:

- The individual's spouse or child under age 21 or a disabled or blind adult child; or
- A sibling who is part owner of the home who lived in the home for one (1) year before the individual entered the nursing facility; or
- A child who lived in the home for up to two (2) years before the individual entered a nursing facility and provided care to the individual which permitted the individual to remain at home.

307.01.06 Exceptions to Transfer of Any Type of Resource Other Than the Home

The transfer penalty will not apply to the transfer of any type of resource in the following situations:

- Resources are transferred to or from the individual's spouse. Effective October 1, 1989, a transfer of assets from a community spouse to another individual will result in a penalty charged to the institutionalized spouse.