



B. J. ...

Department of Human Resources • Division of Family and Children Services • Steven E. Love, Acting Division Director
2 Peachtree Street, NW • Suite 19-490 • Atlanta, Georgia 30303-3142 • Phone: 404 651-8409 • Fax: 404 657-5105

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MEDICAID MANUAL (ESS Policy Manual, VOLUME II) TRANSMITTAL NO. 16

TO: County Departments of Family and Children
Services State DFCS Staff

FROM: Clifford O'Connor, Deputy Director
Division of Family and Children
Services

RE: Medicare Prescription Drug Plan Low Income Subsidy Applications, Affect of the Drug
Plan on Other Policies, Updates to Third Party Liability Procedures, IV-E Income Limit
Increases, Clarification of Home Place Property Transfer, Miscellaneous Updates and
Clarifications to Policy and Procedures

PURPOSE: This manual transmittal contains policy updates and clarifications received since the
previous transmittal.

DISCUSSION:

2146 – New Section on completion and routing of Medicare Prescription Drug Plan Low Income Subsidy
Application.

2345 – New Section on Undue Hardship. There are no policy changes. Policy has been consolidated into
the new section to facilitate finding the policy.

2346 – New Section on Special Needs Trusts.

2931 – New Section on Medicare Part D. Includes more detail, rollout time line, etc.

Appendix A1 – two new charts for Medicare Part D information

Appendix F – New forms include a Special Needs Trust Review Routing Form, SSI CMD Letter, Notice
of Review of Annuity. Other forms revised to remove letterhead, update information.

Appendix K – New Appendix for Children in Placement SUCCESS functions

Family Medicaid – Miscellaneous updates, including SUCCESS procedures for correctly coding TMA/4MCS cases.

Children in Placement Medicaid – Miscellaneous updates, including revision of IV-E budgeting to reflect new rates effective July 1, 2005 and SUCCESS functions. Also includes new Rev Max Intake fax number.

ABD Medicaid – Homeplace Transfer policy clarified to reflect OBRA '93 regulations. The homeplace property of an institutionalized individual is not excluded under the Medicaid program. If the home of an institutionalized individual is transferred to someone other than one of the individuals specified in the policy, **even after the individual has established Medicaid eligibility**, it will be considered a transfer of assets, and the fair market value for the property will be used to impose a transfer penalty. The transfer of assets exception of “the assets were transferred exclusively for a purpose other than to qualify for medical assistance” is not applicable for the transfer of homeplace property. Undue Hardship should be considered before the application of a transfer of assets penalty. Other updates include TPL processes, QIT clarifications, the consolidation of Hardship policy into a unique section, and updates to various forms and SUCCESS functions.

The new ABD Supervisory Review instrument and summary are included in this manual transmittal. The accuracy rate will be calculated based upon correct review elements, not simply on correct cases.

Specific changes to the Sections are discussed briefly under the Comments Section below.

Manual Transmittal 16 includes information found in Medicaid e-mails numbered through 05-15.

UPDATES:

Section	Instructions for Manual Maintenance	Comment
2050	Remove and Replace	Page 2 - Under "The Completed Application", added a sentence referencing Sections 2060 & 2065
2052	Remove and Replace	Page 1 - Under ABD Medicaid, added to NOTE a reference to Medicare Part D
2054	Remove and Replace	Page 2 - Clarified SOP for EMA P01 cases: 10 days if pregnancy has not yet terminated, 45 days if pregnancy has terminated.
2060	Remove and Replace	Page 1 - Under Basic Considerations, added word "Normally" in 3rd paragraph. Broke out the two following paragraphs as bulleted exceptions. Under Application Required, reworded opening sentence. Page 2 - 1st bullet, added LISA and a new way to apply for Medicaid. Added bulleted items that require a signed application. Added situations when a signed application is not required.
2065	Remove and Replace	Page 1 – added LISA to list of acceptable Family Medicaid applications. Page 2 – clarified when a new application is needed and not needed for application processing.
2131	Remove and Replace	Page 4 - Under joint CCSP & Hospice eligibility, mention that A/R needs to be CCSP in SUCCESS. References Appendix I.

2133	Remove and Replace	Page 4 – Step 10, added “or the packet will be returned to DFCS by GMCF”. Step 11, rewrote 1 st bullet. 2 nd bullet, changed “Proposed” to “Initial”. Step 12, changed “Proposed” to “Initial” and added “clinical” before “information”. Page 5 - Added address for DCH Legal; Step 12, removed “RMO” and added “to the address on the letter”. 2 nd bullet, added “clinical” before “information”. 2 nd paragraph from bottom, bolded the word “only”. Page 7 – Review, 1 st bullet, changed “proposed” to “initial”, added “clinical” before “information”.
2135	Remove and Replace	Page 3 - Under Special Considerations, add to switch to CCSP if jointly CCSP and Hospice when previously was Hospice only. References Appendix I
2136	Remove and Replace	Page 3 - Under "Sanctions", changed last sentence in the 1st paragraph so that ban does not apply as long as A/R was admitted to IH prior to the ban.
2141	Remove and Replace	Page 2 - Under "Sanctions", changed last sentence in 1st paragraph so that ban does not apply as long as A/R was admitted to NH prior to the ban.
2143	Remove and Replace	Pages 2 & 4 - 5th paragraph of each page, under Special Considerations, add "if claim # ends with "M", the only way for A/R to get Medicare Part A premium paid is QMB. May be SSI only or RSDI/SSI combo.
2146	Insert after Section 2145	New Section on completing the Medicare Part D Low Income Subsidy Application (LISA).
2150	Remove and Replace	Page 5 - Step 9, added statements that A/R has the right to choose (including rollover bills) which month(s) to apply unpaid bill(s) and use of the Medically Needy Option Statement. Page 9 - Added statement that any prescription drug not covered by Medicare Part D will only be allowed towards spend-down if A/R has verification that an appeal was not approved. Page 11 - Removed 9th bullet from chart, "Prior Months AMN only". Page 12 - Added bullet to chart regarding when to allow non-covered prescriptions from Medicare Part D as a medical Expenses.
2174	Remove and Replace	Page 2 - Changed reference from EDS to MHN.
2184	Remove and Replace	Page 1 - Removed statement that a medical expense must be incurred during a prior month to be considered for continuous coverage.
2194	Remove and Replace	Page 1 - changed reference from DHACS to PSI. Pages 2 & 3 - added premium schedule chart and information on where to get PeachCare information.
2198	Remove and Replace	Page 2 - Added clarification that Title XV screening must be done before processing retroactive months.
2210	Remove and Replace	Page 3 - 2nd paragraph, changed "Deeming Waiver" to "Katie Beckett".

2230	Remove and Replace	Page 1 - First 2 bullets, CHAMPUS and ChampVA now known as Tri Care. 5th bullet, added "Commercial". Also added LTC, Medicare Supplement Plans, Managed Care Plans. Added new bullet for Health Reimbursement Accounts; Page 2 - under "Trust and Other Legal Documents", changed TPR Unit to TPL Unit; Page 3 - Health Insurance Premium Purchase is now Health Insurance Premium Payment. Deleted bullet referencing HMO. Deleted bullet on 100% of insurance through employer; Page 5 - Added special instructions/information for getting TPL removed from MHN and handling of insurance reimbursement checks, etc. page 6 - in NOTE, changed "a service" to "all other services, including HIPP expenses". Page 7 - added reference to Section 2714 when imposing a penalty.
2250	Remove and Replace	Page 7 - Step 4, Added a reference to Section 2714 when imposing a penalty.
2304	Remove and Replace	All undue hardship policy has been moved to Section 2345; reference to that Section added. Page 1 – under Non-FBR vs. FBR COAs, added bullet for Home Place property
2312	Remove and Replace	Page 2 - Under "Non-FBR" COAs", added Exception that contracts may not be designated as burial funds; Page 4 - Under "Non-FBR COAs", added sentence to see exception on Page 2.
2313	Remove and Replace	Page 1 - Added to Promissory Note that the note may be used as evidence of a debt for the transfer of property, even though the property itself may not be in the note. Page 2 - Under Actuarially Sound and Non-Negotiable, changed "note" to "contract". Page 3 - Step 4, last sentence of page, added "To effectively rebut". Page 4 - Several places on page changed "note" to "contract".
2316	Remove and Replace	Pages 1 & 2 – Under Headings “Georgia Homeplace” and “Absence from Out of State Homeplace”, added “A/Rs in LA- A, B or C”. Page 2 – added reference to Special Considerations. Page 3 - Change Undue Hardship reference to Section 2345, Absence for LA-D, added reference to Special Considerations. Under Special Considerations, policy re-written to reflect new policy clarification.
2322	Remove and Replace	Page 1 - Reworded definition of Life Estate in 1st paragraph under Basic Considerations. Life Estate can only be held in property in which individuals has ownership.
2323	Remove and Replace	Page 3 - Under Verification and Documentation, clarified 4th bullet for LA-D A/Rs with policies with FV of \$5000 or less; it isn't necessary to verify CSV or dividends. Added another bullet for FBR policies of \$1500 or less
2329	Remove and Replace	Page 1 - changed undue hardship reference to 2345 in 1st and 4th bullets at bottom
2333	Remove and Replace	Page 1 - Under Procedures, delete reference to Form 989 in 1st and 2nd paragraphs. This form is obsolete.
2336	Remove and Replace	Page 2 – Changed undue hardship reference to Section 2345.
2337	Remove and Replace	Page 2 - rewrote portion on Special Needs Trusts. Referenced Section 2346. Page 3 - Changed undue hardship reference to 2345. Page 4 - Step 1, referenced Sections 2407 for QITs and 2346 for SNTs.
		Page 1 - added new 3rd paragraph to explain "amortized". Page 2 - Step 4, removed 2nd sentence

2339	Remove and Replace	(now on page 1). Removed references to interest. Page 4 - formula corrected.
2342	Remove and Replace	Page 2 – 6 th bullet, changed reference to Under Hardship, Section 2345. 7 th bullet, under which circumstances a transfer penalty does not apply, added exception for transfer of homeplace. Page 4 – bullet at top of page, reworded and added phrase, shall be considered to be transferred by the A/R when any action is taken...”, 2 nd paragraph, added “and review” for considering a transfer penalty. Page 6 – OBRA Transfer of Resources Penalty, referenced Appendix I. Page 8 - Under Multiple Transfers on or after 08/11/03, added exception for multiple transfers all or some of which are under the average private pay NH billing rate.
2345	Insert after Section 2344	New Section on Undue Hardship. No new policy.
2346	Insert after Section 2345	New Section on Special Needs Trusts.
2399	Remove and Replace	Page 6 - Added new block on "Health Reimbursement Accounts", Page 7 - "Income Tax Refund", corrected reference for ABD to Section 2300; Page 18 - "SSI/RSDI Lump sums", exclude 6 months for Family Medicaid, but 9 months for ABD Medicaid.
2407	Remove and Replace	Page 1 - added last bullet under "To Qualify as a QIT" that a QIT cannot be backdated. Page 2 - Note, added that couples must be in the same LA-D to look at the couple CAP; Page 6 - Step 7, added "AND funded"
2499	Remove and Replace	Page 11 - Added new block on "Health Reimbursement Accounts", Page 12 - "Income tax refund", reference Section 2552 for how to count in PL/CS; Page 15 - "Loans to Others", added asterisk in "eligibility" and "PL/CS" columns and referenced Section 2313; Page 24 - Tax refund block reworded.
2552	Remove and Replace	Page 1 - Under "Mandatory Deductions", 2nd paragraph, 1st sentence, added "in the "PL/CS budget"
2554	Remove and Replace	Page 1 - Under "income Diverted to a Dependent Family Member", referenced Chart A1.10; Page 2 - Under "non-Legal Spouse", 2nd bullet, referenced Appendix A2; Page 3 - Under "Community Spouse", 1st paragraph, reference to Section 2505 corrected to 2552, Mandatory Deductions. Under "Dependent Family Member", last paragraph, referenced Chare A1.10; Page 4 - Note, top of page, referenced Appendix A2.
2555	Remove and Replace	Page 1 - 4 th bullet, can allow the NH private pay amount as an IME for any days in which there is a PL/CS. This is specifically geared for A/Rs who are absent from the NH and paying for bed hold days. 5th bullet, circumstances when a prescription drug that was not covered under Medicare Part D will be allowed as an IME
2620	Remove and Replace	Page 1 - Clarified when the unborn child can be included in the BG for RSM cases.
2700	Remove and Replace	Updated references
2720	Remove and Replace	Page 2 - corrected miscellaneous typos
2750	Remove and Replace	Page 3 - How to handle situations where an ineligible A/R is receiving Medicaid via MHN, but not on SUCCESS or SSI eligible and hasn't yet appeared on the ex parte list.
2760	Remove and Replace	Added Special Considerations for handling of RSM Project closed cases

2810	Remove and Replace	Page 2 - Added NOTE regarding county and Rev Max responsibilities for removing child from pending cases in the county
2812	Remove and Replace	Page2 - Added NOTE regarding county and Rev Max responsibilities for removing child from pending cases in the county; Revised procedures to align with actual DJJ Rev Max procedures and removed all references to IV-B Medicaid; inserted RSM.
2817	Remove and Replace	Page 3 – Added NOTE that IV-E AA is available through the month of the child's 18th birthday.
2840	Remove and Replace	Page 2 - Adjusted Table for increased IV-E income limits
2850	Remove and Replace	Page 5 - Char 2850.1, realigned Disruption, Dissolution, Removal from foster home for clarity. Page 7 - Added IV-E FC minor mom living in the same FC placement as child with separate DFCS placement and care orders
2870	Remove and Replace	Page 2 – Added new step: determine that the child meets the age requirement for the COA; Page 5 - RSM children, Step 3 , added reference to Section 2182
2885	Remove and Replace	Pages 1 & 2 – Added NOTE regarding confidentiality procedures for SSN and name in adoption cases after finalization.
2890	Remove and Replace	Page 1 - reworded 1st paragraph under Basic Considerations to clarify that eligibility for non IV-E foster care may also be determined under RSM. Deleted note on MES notifying DMA of FC status to de-link from GBHC as this is covered in Section 2853; Page 3 - Changed from approved family home to "approved foster family home"
2901	Remove and Replace	Updated information on the Division of Aging Services
2903	Remove and Replace	Updated information on the Brain and Spinal Injury Trust Fund
2905	Remove and Replace	Updated information on Cancer State Aid
2910	Remove and Replace	Updated information on OCSE
2920	Remove and Replace	Updated information on Domestic Violence
2925	Remove and Replace	Updated information on FNS programs, including TEFAP and FNSE
2931	Insert after 2930	New Section for details on Medicare Part D
2940	Remove and Replace	Page 1 - Last paragraph, added that an Rx Prior approval may be completed on someone who is not currently approved for Medicaid (such as AMN suspense). The prior approval is good for 3 to 6 months.
2945	Remove and Replace	Updated information on Refugee Resettlement Program, including information on victims of human trafficking.
2955	Remove and Replace	Updated information on SOURCE providers. The Augusta provider combined with Butler, and Baxley/Hinesville provider combined with Savannah.
2980	Remove and Replace	Updated information, including where to order forms
Appendix A1 (2005)	Remove and Replace	Page 4 - added 2 charts for Medicare Part D
Appendix D	Remove and Replace	Page 5 - moved Med. Needy, QIT and Sup. Review information to NARR, not REMA. Page 7 - Under Note at bottom, added "best practice" to document any referrals done on closed/denied cases. Page 11 - Expanded LOC to document when packet sent to and returned from GMCF and to explain reason for protection of income.

Appendix F	Remove and Replace or Insert using Appendix F TOC as a guide	Revised: Forms 225, 225 Instructions, 226, 226 Instructions, 700, 969, 970, 981, 991, Notice of Review of Promissory Note, Loan or Property Agreement, Notice of Termination of Medicaid Benefits (contracts), Peach Care Referral Letter, QIT Review Letter, Appendix F TOC Add: Notice of Review of Annuity, SSI CMD Letter, Special Needs Trust Review Routing Form
Appendix G	Insert in front of MT 15 Cover Letter	Adds MT 16 Cover Letter
Appendix H	Remove and Replace or Insert using Appendix H TOC as a guide	Revised: Appendix H Overview - Page 2 - 1st paragraph, changed 2 references to "Medicaid Consultants" to "Medicaid Program Specialists", Added ESAs to list of people to do 1st level reviews. Pages 3 & 4 - revised criteria for ABD reviews Form 965 & 965 Instructions - totally revised Form 974 & 974 Instructions – revised Add: Appendix H TOC, Family Medicaid Accuracy Review Summary
Appendix I	Remove and Replace	Page 11 - Step 6, added statement to see page 15 for institutionalized A/Rs; Page 12 - Added how to divert to Child(ren) at home and no spouse - made it clear to use "TNF" SON and Appendix A2; Clarified How to divert income to children AND spouse at home; Page 15 - Step 8, added EMA eligibility as a factor for the "Payment Auth Date" on INST, Step 9, added EMA end date may be the "Payment Term Date" on INST; Page 19 - Added how to reopen a case if closed in error due to death; Page 32 - added how to handle joint hospice and another COA, especially if initially in Hospice;
Appendix J	Remove and Replace	Added procedures for budgeting of ineligible parents, GAP payments, and coding of TMA/4MCS cases.
Appendix K	Insert after Appendix J	New Appendix for Children in Placement SUCCESS Functions. Includes instructions on adding SSI children to SUCCESS for GBHC de-linking; work around to prevent SUCCESS from closing IV-B/SSI cases, exempting AA child from GBHC
TOC 2100	Remove and Replace	Added Section 2146
TOC 2300	Remove and Replace	Added Sections 2345 & 2346
TOC 2900	Remove and Replace	Added Section 2931
TOC Main	Remove and Replace	Added: Sections 2146, 2345, 2346, 2931 and Appendix K