

DEPARTMENT OF HEALTH SERVICES

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November 20, 1991

TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons

Letter No: 91-107

SUBJECT: TRANSFER OF ASSETS RULES AND MEDS REQUIREMENTS

REFERENCES: ALL COUNTY WELFARE DIRECTOR LETTERS: 89-82, 90-01, 90-58

This All County Welfare Directors Letter (ACWDL) describes the Medi-Cal Eligibility Data System (MEDS) operational requirements for issuing restricted Medi-Cal cards to institutionalized individuals who transfer assets for less than adequate consideration on or after January 1, 1990.

BACKGROUND

Effective January 1, 1990, the Medicare Catastrophic Coverage Act of 1988, Section 303, eliminated the transfer of assets provisions for all applicants and beneficiaries except institutionalized individuals in or entering a nursing facility or a medical institution where they receive nursing facility level of care. The new law specifies that if a Medi-Cal only institutionalized applicant/recipient transfers assets on or after January 1, 1990 for less than the fair market value, anytime during or after the 30 months immediately preceding the application date, the institutionalized applicant/recipient will lose Medi-Cal coverage for "Nursing Facility" (NF) services for a set time. The patient loses eligibility for NF services provided in the facility per diem rate but continues to have eligibility for the ancillary services provided while residing in the medical institution or nursing facility. Thus, an institutionalized individual receives a restricted Medi-Cal card that only covers services outside the definition of NF services.

RESTRICTING APPLICANTS/BENEFICIARIES ON MEDS

The MEDS sensitive services field was determined by the State to be the best alternative when identifying the institutionalized applicants and recipients on MEDS. The restricted service code 950 or 951 (only for those counties utilizing the 001 restricted service limited access code) entered into the sensitive service field (DED NO. 9129) will function to restrict the per diem rate payment but will not restrict other Medi-Cal services. The 950 or, if applicable, 951 code must not be interpreted, nor confused, as being a sensitive service code, a confidential code, and/or a minor consent code;

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it is a restricted service code that ensures the issuance of a restricted Medi-Cal card bearing the message "Long Term Care Services Are Not Covered." The 950 or 951 restricted service code presides over all other restricted or sensitive service codes placed on the Medi-Cal card. Counties are responsible for manually monitoring case records and tracking the ineligibility period. ACWDL 90-01 has specific instructions for calculating the periods of ineligibility. When an individual resumes eligibility status again, placing numerical 'zeros' in the sensitive service field on an EW20 or EW30 transaction will remove the 950 or 951 limited services code from MEDS.

NOTE: Counties shall retain flags on the cases (or keep a list of all cases) where ineligibility for NF services will result in a period of ineligibility until the MEDS processing changes are implemented and the cases can be input into the MEDS network.

AID-CODES AND TRANSACTION REQUIREMENTS

The aid codes impacted by the transfer of assets rules are 13, 23, 53, 55 and 63. The Supplemental Security Income/State Supplementary Payments Program (SSI/SSP) recipients (aid codes 10, 20, 60) and In-Home-Support-Services (IHSS) recipients (aid codes 28, 65, 68) are not impacted by the transfer of asset rules. However, if an SSI/SSP or IHSS recipient later becomes institutionalized and transfers from a cash-based Medi-Cal aid code to a Medi-Cal only aid code then, the transfer of assets rules apply.

Counties can identify and limit the scope of benefits on these applicants and recipients using the following online transactions: EW05 (Transfer County of Responsibility); EW15 (Request Medi-Cal ID Card - New Eligible or Data Change); EW20 (Add New Recipient); EW30 (Modify Existing MEDS Record); or EW50 (Request Medi-Cal Card - More than 12 Months Prior to Current Month).

If a new applicant, unknown to MEDS, is found Medi-Cal eligible only for restricted cards due to transferring assets; then, an EW20 transaction (add new recipient) is processed, and the 950 or 951 is entered into the sensitive services code field. In addition to the current month card, up to three months retroactive restricted Medi-Cal cards can also be issued.

If a LTC Medi-Cal recipient has transferred assets at less than fair market value while in the LTC facility, then retroactive restricted Medi-Cal cards cannot be issued. The 950 or 951 restricted services code must be applied only to the pending month of eligibility or future months depending on the eligibility effective date. If a MEDS online or county batch transaction is processed requesting a restricted retroactive Medi-Cal card, the

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alert message "LTC Service Exclusion Acceptable Only When No Prior Elig" will appear as an online screen message or as a daily batch update alert. An overpayment referral must be made in these cases.

MEDS IMPLEMENTATION DATE

The transfer of assets rule was effective beginning January 1, 1990. However, the Department of Health Services (DHS) delayed implementation to provide Health Care Financing Administration (HCFA) the time to clarify benefit coverage issues and allow DHS the time to accommodate MEDS programming changes. DHS expects the transfer of assets programming changes to be implemented in February 1992, month of eligibility.

Counties were previously instructed to flag cases where a disqualifying transfer appears. Counties are now officially instructed to pull those flagged cases and determine whether or not any time remains in the period of ineligibility after January 31, 1992. If a case is found to require restricted services for the month of February 1992, or after, counties should send a "10-day notice of adverse action" and begin issuing restricted cards according to the directions contained in this letter. An institutionalized beneficiary/applicant shall not receive a restricted service Medi-Cal card if they do not receive a 10-day notice of an adverse action. In addition, counties shall not calculate overpayments resulting from the delay in implementation of the system for issuing restricted cards.

If you have property questions, please contact Sharyl Shanen-Raya at (916) 657-2942.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch