

DEPARTMENT OF HEALTH SERVICES

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October 9, 1990

Letter No.: 90-89

TO: All County Welfare Directors
All County Administrative Officers

SUBJECT: VERIFICATION OF INCOME ALLOCATED TO THE SPOUSE AT HOME PURSUANT TO
THE MEDICARE CATASTROPHIC COVERAGE ACT (MCCA)

REFERENCE: ACWD LETTER NO: 90-03

The purpose of this letter is to inform counties of certain changes to the verification criteria set forth in All County Welfare Directors (ACWD) Letter No. 90-03. That letter sets forth the verification requirements for transfer of the spousal allocation from the spouse in long term care (LTC) to the spouse at home.

Due to policy clarification from the Health Care Finance Administration, the transfer and verification requirement has been modified. Deposit of the long term care spouse's income into a joint account is now considered to be a transfer of the income to the spouse at home. Furthermore, no verification beyond evidence of such deposit is required in cases involving joint bank accounts. However, there has been no change to the transfer and verification requirements for cases where the income is not deposited in a joint account, i.e., the beneficiary must provide documentation that the monies have actually changed hands, such as a canceled check, bank statements, etc.

In cases involving deposit of the LTC spouse's income into a joint account, the eligibility worker must advise the spouses that any spousal allocation funds remaining in the joint account the month following the receipt for the income will be considered 100% countable property of the LTC spouse. This could result in Medi-Cal discontinuance if the LTC spouse is a MCCA institutionalized spouse and the property reserve is allowed to exceed the \$64,580 during the community spouse resource allowance (CSRA) transfer period or \$2,000 anytime thereafter. Therefore, if the spousal allocation is not spent in the month of receipt, it may still have to be transferred from the account bearing the LTC spouse's name the following month in order to maintain eligibility.

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Modifications are currently being made to the draft regulations. These regulations will be filed on an emergency basis as soon as possible.

If you have any questions, please contact Toni Bailey at (916) 324-4967.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants