

## DEPARTMENT OF HEALTH SERVICES

714/744 P STREET  
P.O. BOX 942732  
SACRAMENTO, CA 94234-7320



May 10, 1991

TO: All County Welfare Directors  
All County Administrative Officers

Letter No.: 91-44

SUBJECT: CLARIFICATION ON THE USE OF THE STATEWIDE AVERAGE PRIVATE  
PAY RATE (APPR) FOR NURSING FACILITY SERVICES

The purpose of this letter is to provide clarification of which year's APPR to use when calculating periods of ineligibility for nursing facility services when a transfer of property occurred on or after January 1, 1990.

All County Welfare Directors Letter (ACWDL), No. 91-15, states that counties should use the 1991 rate of \$2,628.00 for calculating periods of ineligibility for transfers made by institutionalized individuals during the calendar year of 1991. Federal law requires that when calculating periods of ineligibility, the APPR as of the date of application be used. This assumes that the individual applied on or after institutionalization. However, for individuals who were on Medi-Cal at the time of institutionalization, the APPR as of the date of institutionalization is used instead.

Therefore, the 1991 APPR should be used for calculating periods of ineligibility for those individuals who apply for and were eligible for Medi-Cal benefits as institutionalized individuals in 1991 as long as the transfer occurred on or after January 1, 1990. The 1991 APPR should also be used when calculating a period of ineligibility for a transfer occurring on or after January 1, 1990, in the case of a Medi-Cal recipient who becomes an institutionalized individual in 1991. If an individual applied and was eligible for Medi-Cal in 1990, transferred property in 1990 and became institutionalized in 1991, then the APPR for 1991 should be used. Under no circumstances, however, should the 1991 APPR be used to recalculate the period of ineligibility for nursing facility services for any individual who transferred property and who began receiving benefits as an institutionalized individual in 1990. The 1990 APPR is appropriate in those circumstances.

This chart provides you with some examples of how this should work. Use the APPR for whichever is most recent; year of institutionalization or year of application.

	Prior to 1990	1990	1991	APPR
1.	transferred	applied	inst.	old rules
2.	inst.	app. & trans.		1990
3.		trans. & inst.	app.	1991
4.	app.	trans.	inst.	1991

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If an individual was institutionalized and applied for benefits prior to 1990 and transferred property after January 1, 1990, the following APPRs should be used:

APPRs For 5 Years Prior To 1990

1989	\$2398
1988	\$2240
1987	\$2114
1986	\$1993
1985	\$1866

Examples Using APPRs Prior to 1990

Use the APPR for whichever is most recent; year of institutionalization or year of application.

	1988	1989	1990	1991	APPR
1.	inst.	app.	trans.		1989
2.	app.	inst.		trans.	1989
3.	trans.	inst.		app.	old rules

Please remember, however, that the Department has not completed the system changes necessary to provide for the issuance of cards which limit the scope of benefits to all services except nursing facility services. Counties should continue to issue full scope Medi-Cal cards to those individuals who have made disqualifying transfers until further notice.

If you have any questions on this issue, please call Sharyl Shanen-Raya at (916) 324-4956.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief  
Medi-Cal Eligibility

cc: Medi-Cal Liaisons  
Medi-Cal Program Consultants