



Medicaid Eligibility Procedure Letter No. 138

Effective Date: October 21, 2018

OAC Rules: 5160:1-6-06.5

To: All Medicaid Eligibility Manual Holders

From: Barbara R. Sears, Director

Subject: Medicaid: Initial Pro-rated Period of Restricted Coverage (IPPRC) and Restricted Medicaid Coverage Period (RMCP)

Reason for Change: The Ohio Department of Medicaid (ODM) is implementing policy changes when calculating a restricted Medicaid coverage period (RMCP) effective October 21, 2018. The policy changes include calculating an initial pro-rated period of restricted coverage (IPPRC) when determining an RMCP and the treatment of new and newly discovered improper transfers of assets when an individual is already serving an RMCP. Ohio Benefits shall be updated to support the policy changes with Release 3.3 and in production on October 21, 2018; however, the Ohio Administrative Code (OAC) rule 5160:1-6-06.5 containing the policy changes will be made available and accompanied by a MEMTL at a later date. MEPL 138 shall serve as policy until the revised OAC rule 5160:1-6-06.5 is available.

Prior Policy: When an institutionalized individual with improperly transferred assets applied for Medicaid and requested payment of long-term care (LTC) services, the RMCP was effective the first day of the month, regardless of when in the month an individual requested payment of LTC services. Also, policy was absent language regarding how to treat improperly transferred assets when an individual is serving an RMCP and the transfer occurred either during the RMCP or before the RMCP was calculated.

New Policy: When an institutionalized individual with improperly transferred assets applies for Medicaid and requests payment of LTC services after the first day of a month, the RMCP is effective the date the institutionalized individual is eligible for Medicaid and would otherwise be receiving payment of LTC services. An IPPRC shall be calculated for the initial month of RMCP.

Calculating an RMCP.

1. Total the value of all improperly transferred assets.
2. An IPPRC shall be calculated as follows and is considered the first month of the RMCP:

- a. Determine the daily average private pay rate (APPR) for nursing facility services in Ohio by dividing the monthly APPR by the number of days in the month for which the first month of RMCP is being calculated. Round the result to the second decimal place.
- b. Multiply the daily APPR by the number of days from the first day of eligibility for requested LTC services through the last day of the month in which the institutionalized individual is eligible for medical assistance and would otherwise be receiving LTC services paid for by the Medicaid program.
3. Determine full months of RMCP as follows:
 - a. Subtract the IPPRC from the total value of all improperly transferred assets, if applicable; then
 - b. Divide by the monthly APPR.
 - c. The resulting whole number is the full months of RMCP.
 - d. If there is a remaining fractional amount, calculate a partial month of restricted coverage.
4. To determine the partial month of restricted coverage (PMRC);
 - a. Multiply the APPR by the number of full months of restricted coverage; then
 - b. Subtract that amount from the total value of improperly transferred assets; then
 - c. Subtract the IPPRC; then
 - d. The remainder is the amount of the PMRC.

Example 1: Institutionalized individual age 60 applied for Medicaid and requested payment of LTC on 9/25/18. The individual improperly transferred \$72,000 in assets on 12/25/17. An IPPRC is calculated since the request for payment of LTC is after the first of the month.

\$72,000 in Improper Transfers

\$6,570 Average Private Pay Rate (APPR)

IPPRC Calculation

$\$6,570 / 30 = \219 Daily Average Private Pay Rate for September

$\$219 \times 6$ Days of Requested Payment of LTC in September = $\$1,314$ IPPRC

RMCP Calculation

$\$72,000 - \$1,314 = \$70,686$

$\$70,686 / \$6,570 = 10.75890410958904$

10 Full Months of RMCP

PMRC Calculation

$\$6,570 \times 10 = \$65,700$

$\$72,000 - \$65,700 = \$6,300$

$\$6,300 - \$1,314$ (IPPRC) = $\$4,986$ PMRC

Treatment of new or newly discovered improperly transferred assets with an existing RMCP.

1. When a new improper transfer of assets occurs during an existing RMCP, a new RMCP shall be calculated using only the new improper transfers and the APPR in effect at the time of the calculation. The new RMCP shall be applied consecutively with the existing RMCP.

- a. When there is a PMRC calculated for both the existing RMCP and the new RMCP, combine the PMRCs.
- b. If the combined PMRCs are greater than or equal to the monthly APPR, the result shall be an additional month of RMCP and potentially a new PMRC amount. The additional month of RMCP and PMRC shall be applied at the end of the new RMCP.

Example 2: Institutionalized individual currently serving an RMCP from 1/1/18 – 2/28/19 for improperly transferring \$98,000 in 2016. There is a PMRC for \$6,020 to be applied to patient liability on 3/1/19. On 7/31/18, the institutionalized individual improperly transferred \$45,000 in assets. A new RMCP is calculated using \$45,000.

$\$45,000 / \$6,570 = 6.849315068493151$
6 Additional Months of RMCP 3/1/19 – 8/31/19

$\$6,570 \times 6 = \$39,420$
 $\$45,000 - \$39,420 = \$5,580$ PMRC

$\$6,020$ (Original PMRC) + $\$5,580$ (PMRC for New RMCP) = $\$11,600$ PMRC

Since \$11,600 PMRC > \$6,570 APPR, one additional month of RMCP is added to the new RMCP 3/1/19 – 9/30/19
 $\$11,600 - \$6,570 = \$5,030$ PMRC

Total RMCP is 1/1/18 – 9/30/19 and PMRC of \$5,030 to be added to patient liability in 10/1/19.

2. When improper transfers of assets that occurred prior to the existing RMCP are newly discovered after the RMCP was calculated, the existing RMCP shall be recalculated to include the newly discovered improper transfers and using the APPR in effect when the existing RMCP was calculated.

Example 3: Institutionalized individual currently serving an RMCP from 1/1/18-12/31/18 for transferring \$80,000 in 2016. There is a PMRC for \$1,160 to be applied to the patient liability on 1/1/19. On 9/1/18, the case worker discovered the individual improperly transferred \$28,000 on 6/17/17 that was not known at the time the RMCP was originally calculated. The RMCP will need to be recalculated to include the \$28,000.

$\$80,000 + \$28,000 = \$108,000$
 $\$108,000 / \$6,570 = 16.43835616438356$
16 months of RMCP 1/1/18 – 4/30/19

$\$6,570 \times 16 = \$105,120$
 $\$108,000 - \$105,120 = \$2,880$ PMRC

Total RMCP is 1/1/18 - 4/30/19 and the PMRC of \$2,880 to be added to patient liability 5/1/19.

Action Required: RMCP calculations on or after October 21, 2018 shall be determined by applying the policy contained in this MEPL.

An Ohio Benefits Project Website Announcement will be issued with the information contained in this MEPL.

This information is also available on the Ohio Department of Medicaid website and may be accessed at:

Resources > Publications > ODM Guidance > Medicaid Policy > Medicaid Eligibility Procedure Letter (MEPL)

<http://medicaid.ohio.gov/RESOURCES/Publications/ODM-Guidance#161542-medicaid-policy>