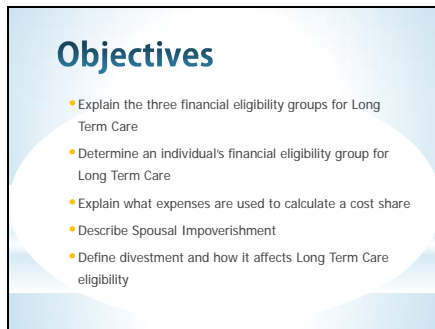


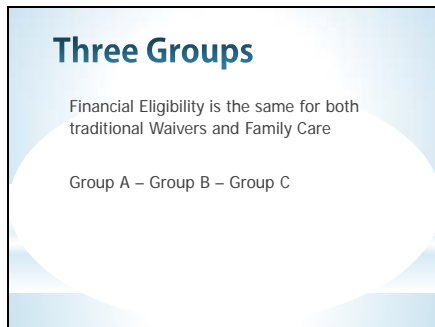
Slide 1



Slide 2

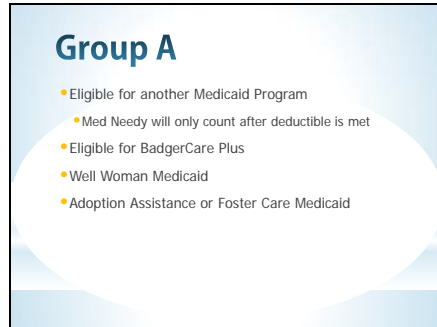


Slide 3



There are three groups in which someone can be financially eligible for Long Term Care. This is true for both traditional Long Term Care Waivers and Family Care Long Term Care. The three groups someone can be eligible in are: Group A, Group B, and Group C.

Slide 4

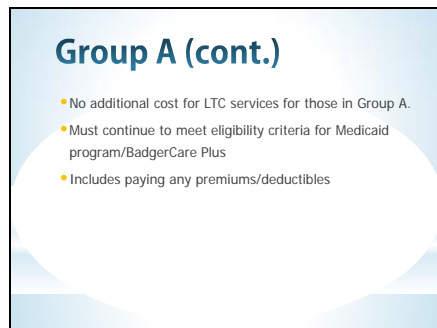


Group A

- Eligible for another Medicaid Program
 - Med Needy will only count after deductible is met
- Eligible for BadgerCare Plus
- Well Woman Medicaid
- Adoption Assistance or Foster Care Medicaid

Individuals are eligible for Group A if they are already eligible for another Medicaid program. The other Medicaid programs that someone may be eligible for include: SSI related Medicaid - either payment status or 1619(b), Special Status Medicaid programs (503, DAC and Widow/Widower), Categorically Needy Medicaid, Medically Needy Medicaid will count only after the individual has met his deductible, and the Medicaid Purchase Plan (MAPP) program. Individuals eligible for BadgerCare Plus are also eligible in Group A. Also included in Group A eligibility are individuals who are on Well Woman Medicaid, and Adoption Assistance or Foster Care Medicaid.

Slide 5



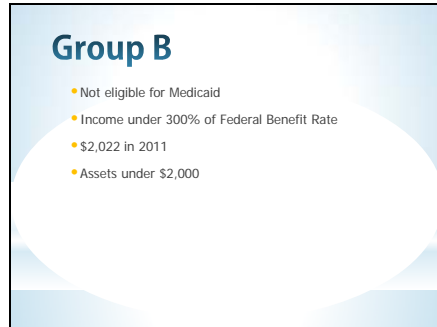
Group A (cont.)

- No additional cost for LTC services for those in Group A.
- Must continue to meet eligibility criteria for Medicaid program/BadgerCare Plus
- Includes paying any premiums/deductibles

Individuals in Group A will have no additional cost for their Long Term Care services.

As long as an individual maintains eligibility for one of these programs, he will be eligible for Long Term Care in Group A. This means that an individual must continue to meet both the non-financial and financial eligibility requirements specific to the Medicaid/BadgerCare Plus program they are on. This includes paying any premiums/deductibles that may apply.

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Group B

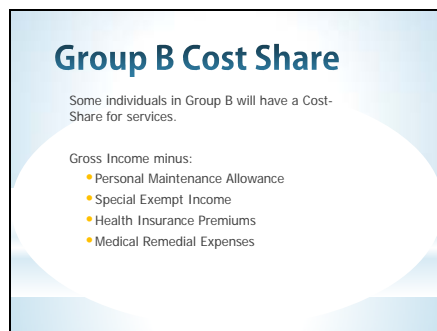
- Not eligible for Medicaid
- Income under 300% of Federal Benefit Rate
- \$2,022 in 2011
- Assets under \$2,000

Individuals who are eligible for Long Term Care services in Group B are not eligible for a Medicaid program or BC+. They meet all of the general EBD non-financial eligibility criteria, but have income over the income limits, don't meet the work requirement for MAPP, etc.

To be eligible in Group B, an individual must have:

- Income less than \$2,022 (2011), and
- Assets less than \$2,000.

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Group B Cost Share

Some individuals in Group B will have a Cost-Share for services.

Gross Income minus:

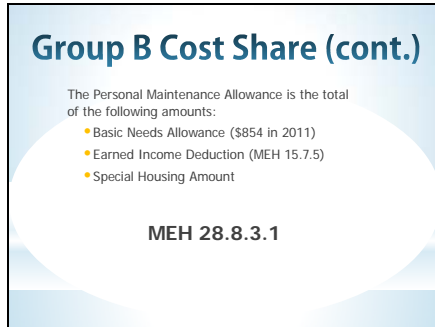
- Personal Maintenance Allowance
- Special Exempt Income
- Health Insurance Premiums
- Medical Remedial Expenses

Some individuals in Group B must pay for some of the cost of their Long Term Care services. This is called a Cost Share. A cost share is the amount member has to contribute towards services each month. This is calculated using the individual's gross income.

The cost share amount equals gross income minus:

- Personal Maintenance Allowance (MEH 28.8.3.1)
- Special Exempt Income (MEH 15.7.2)
- Health Insurance Premiums (including any Medicare premiums paid)
- Medical Remedial Expenses (MRE)

Slide 8



Group B Cost Share (cont.)

The Personal Maintenance Allowance is the total of the following amounts:

- Basic Needs Allowance (\$854 in 2011)
- Earned Income Deduction (MEH 15.7.5)
- Special Housing Amount

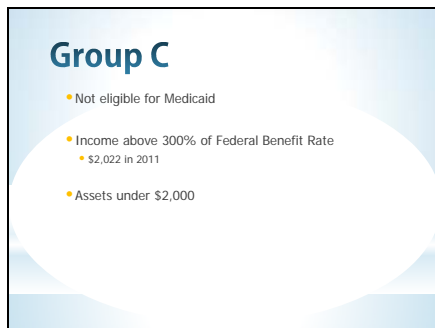
MEH 28.8.3.1

The personal maintenance allowance is the sum of:

- Basic Needs Allowance (\$854 in 2011)
- Earned Income deduction (MEH 15.7.5)
- Special Housing Amount (any shelter cost over \$350 when you total up: rent, mortgage, home/rental insurance, property tax, utilities [heat, water, sewer, electric], and “Room” amount for those living in CBRF, RCAC or AFH)

An individual’s Personal Maintenance Allowance can’t exceed the maximum amount of \$2,022 in 2011.

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Group C

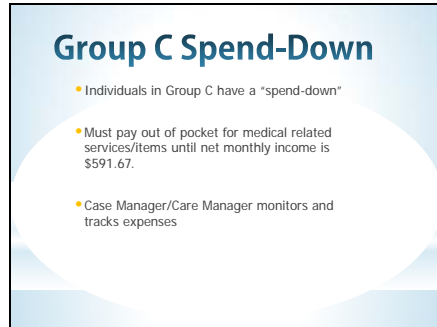
- Not eligible for Medicaid
- Income above 300% of Federal Benefit Rate
 - \$2,022 in 2011
- Assets under \$2,000

Individuals who are eligible for Long Term Care services in Group C are not eligible for a Medicaid program or BC+. They meet all of the general EBD non-financial eligibility criteria, but have income over the income limits, don’t meet the work requirement for MAPP, etc.

To be eligible in Group C, an individual has:

- Income greater than \$2,022 (2011), and
- Assets less than \$2,000.

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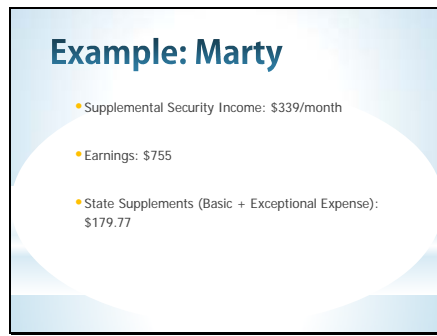


Group C Spend-Down

- Individuals in Group C have a "spend-down"
- Must pay out of pocket for medical related services/items until net monthly income is \$591.67.
- Case Manager/Care Manager monitors and tracks expenses

Single individuals in Group C must: incur and be financially responsible for the spend down amount on a monthly basis. It is somewhat like meeting the deductible every single month. The Care Manager is responsible for monitoring and documenting the spend down monthly. Information about the Spend Down can be found at MEH 28.5.2.

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Example: Marty

- Supplemental Security Income: \$339/month
- Earnings: \$755
- State Supplements (Basic + Exceptional Expense): \$179.77

Marty is on Supplemental Security Income (SSI). He gets a monthly SSI payment of \$339. He has earned income of \$755 per month. He also gets the Basic State Supplement and the Exceptional Expense Supplement (\$179.77 total) from the state of Wisconsin. This brings his gross monthly income up to \$1,273.77. Marty is also enrolled in a Long Term Care program. In which group is he financially eligible for Long Term Care? **Group A because he has Medicaid through his SSI.**

Example: Biff

- Social Security Disability Insurance: \$875
- Not working
- \$7,000 in savings
- Medicare

Biff has a gross SSDI payment of \$875 each month. He is not currently working. He has around \$7,000 in his savings at this time. His only health insurance is Medicare. Biff is planning to apply for Long Term Care. Does he have options for being financially eligible for LTC?

At this time, Biff is not eligible for a Medicaid program or BadgerCare Plus, so he can not be eligible in Group A. Based on his income, he may be eligible in Group B (it is below the \$2,022 limit for 2011). However, Biff's savings are currently more than \$2,000, and he can't be eligible in Group B. If he wants to appropriately spend down his savings, he may be eligible in Group B. (Be careful not to divest!) He could potentially have a small cost share in Group B (depending on his housing expenses). If he is looking for work and wants to use HEC or find some type of in-kind work arrangement, he may be a perfect candidate for MAPP. This would allow him to be eligible for LTC in Group A. He would not have to spend down his assets, and he would likely be eligible without having a premium.

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Example: Loraine

- Social Security Disability Insurance: \$1,100
- Earnings: \$150
- Medicaid Purchase Plan (MAPP) w/ no Premium
- Starting second job – additional \$350/mo in earnings

Loraine currently receives \$1,100 (gross) each month in SSDI. She is working part-time making \$150 each month. She is currently on MAPP with no premium. She plans to start a second job next month. This will be an additional \$350 in earned income. She wants to know how this will affect her eligibility for MAPP and her Long Term Care services.

- **Will likely have to pay MAPP premium based on new income. If she chooses to do so, she can remain eligible for LTC in group A.**
- **Another option is to consider Group B – she may be eligible in Group B w/ Cost Share (if assets under \$2,000).**
- **MAPP premium vs. Cost Share – which will be most affordable?**

Slide 14

Additional LTC Financial Issues: Spousal Impoverishment

- Allows community spouse to maintain a certain amount of income and assets without affecting the spouses eligibility for LTC.
- Income: \$2,428.33 per month (2011). Certain situations allow for greater amount (MEH 18.6)
- Assets: Greater of \$50,000 or up to ½ of combined assets not exceeding \$109,560 (2011)

Spousal Impoverishment is a policy that is meant to protect some of the income and assets of a community spouse when his/her spouse applies for Long Term Care. A community spouse is someone who is married to the individual applying for Medicaid Long Term Care, and is not living in a nursing home or other medical institution for 30 or more consecutive days.

A community spouse is allowed to maintain a certain amount of income without it having an impact on the applicant's eligibility for Long Term Care. Currently, a community spouse is generally allowed to maintain up to \$2,428.33 per month (2011). In some situations, this amount can be increased; however, for the Community

Long Term Care Programs (waivers and Family Care) the community spouse can not be living with the applicant to be eligible for the higher income amount. For more information about Spousal Impoverishment rules for income see MEH 18.5 & 18.6.

A community spouse is also allowed to maintain a certain amount of assets. The asset limits for the community spouse are the greater of: \$50,000 or up to one-half of the couple's combined assets not exceeding \$109,560 (2011). For example: A couple has \$140,000 in assets. Half of this amount is \$70,000. This is greater than \$50,000. The community spouse in this situation is able to maintain \$70,000 of the assets.

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**Additional LTC
Financial Issues:
Divestment**

- Transferring income/assets/homestead property for less than fair market value
- Avoiding income/assets that one is eligible for
- Leads to period of ineligibility

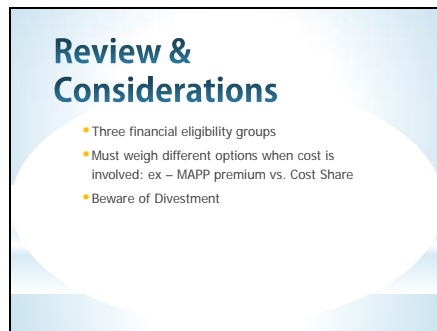
MEH 17

Divestment is the act of transferring income, non-exempt assets, and homestead property for less than fair market value. It is also considered divestment if a person avoids receiving income or assets that he or she is entitled to. Divestment can cause an individual to have a period of ineligibility for Medicaid Long Term Care programs. When an individual applies for Medicaid Long Term Care, there is a "look back period" to determine if there has been any divestment.

Any type of divestments made after January 1, 2009 will be subject to a 60 month look back period. The rules are different for divestments made before January 1, 2009. The rules for this can

be found in MEH 17.3.2. If it is determined that divestment occurred in the look back period, an individual will be ineligible for Long Term Care for a period of time. The length of ineligibility is based on the amount that an individual divested, and the current average daily private nursing home rate. The rules for divestment can be complex, and it is best that an individual consult an attorney that has experience with divestment issues when there are questions. More information about divestment can also be found in the MEH section 17.

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Three financial eligibility groups – A, B, and C

A – eligible for another Medicaid/BadgerCare Plus program

B – Not financially eligible for Medicaid, gross income under \$2,022 (2011)/assets under \$2,000 (ind), sometimes pays a cost share

C – Not financially eligible for Medicaid, gross income over \$2,022 (2011)/assets under \$2,000 (ind), must pay spend-down

Consider the costs involved. When someone has the potential to be in Group A with MAPP and a MAPP premium or in Group B with a cost share, check out the different options. One is not necessarily always going to be cheaper than the other.

Always be careful to avoid divestment.

This can cause ineligibility for a period of time for Long Term Care programs.

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