

ADMINISTRATIVE DIRECTIVE

TRANSMITTAL: 96 ADM-17

TO: Commissioners of
Social Services

DIVISION: Health and
Long Term Care

DATE: September 20, 1996

SUBJECT: Transfer of Resources: Changes in the Medical Assistance
Regional Rates for 1996

**SUGGESTED
DISTRIBUTION:**

Medical Assistance Staff
Adult Services Staff
Fair Hearing Staff
Legal Staff
Staff Development Coordinators

**CONTACT
PERSON:**

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ATTACHMENTS:

Attachment - County Listing by Region (available
on-line)

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
96 ADM-8 95 ADM-17 95 ADM-6 91 ADM-37 89 ADM-45		360-4.4(c)	SSL 366 SSA 1917(c) & (d)		GIS 96 MA/ 018 Section 13611 of OBRA '93

I. PURPOSE

This Administrative Directive (ADM) notifies social services districts of the January 1, 1996 revisions to the Medical Assistance (MA) regional rates used to determine the period of limited coverage (penalty period) for persons determined to have made prohibited transfers of assets.

II. BACKGROUND

Chapter 170 of the Laws of 1994 amended Section 366.5 of the Social Services law to set forth transfer-of-assets provisions required by the Omnibus Budget Reconciliation Act of 1993. When a person, or the person's spouse, makes a prohibited transfer (as explained in 96 ADM-8), the person may be ineligible for MA coverage of certain services for a period of time.

The period of ineligibility is the number of months equal to the uncompensated value of the transferred assets divided by the MA regional rate established for the region in which the person is institutionalized. The period is intended to approximate the length of stay in an institution which the transferred assets would have purchased. The MA regional rates are updated annually, effective January 1st. The rates for 1996 are based on the actual average nursing home cost for each of the seven regions in the State, rather than 120% of the MA rate, as has been used in the past.

III. PROGRAM IMPLICATIONS

The revised MA regional rates are used to calculate a penalty period for persons who have made prohibited transfers of assets and who first apply for MA on or after January 1, 1996.

The MA regional rates effective January 1, 1996 are:

<u>Region*</u>	<u>Monthly Rate</u>
Central	\$ 4,536
Long Island	\$ 6,790
New York City	\$ 6,521
Northeastern	\$ 4,810
Northern Metropolitan	\$ 5,930
Rochester	\$ 4,852
Western	\$ 4,380

*See the attachment for county listing by region.

IV. **REQUIRED ACTION**

As specified in 89 ADM-45, 91 ADM-37, and 96 ADM-8, a penalty period must be established when an institutionalized MA-Only applicant/recipient (A/R), or the spouse of the A/R, has made a prohibited transfer of assets. The MA regional rate used to determine the penalty period is the rate for the region in which the individual is institutionalized. Districts must use the rate in effect for the year in which the individual first applies as an institutionalized person.

Social services districts must use the January 1, 1996 MA regional rates to establish the penalty period for any institutionalized person determined to have made a prohibited transfer of assets who has MA eligibility first determined for the month of January, 1996 or later.

A. **RECALCULATING THE PENALTY PERIOD**

Districts must recalculate the penalty period for an institutionalized A/R who became MA eligible on or after January 1, 1996, if the January 1, 1995 regional rates were used to estimate the penalty period.

Districts must review these cases as soon as possible, since a recipient's penalty period may change based on the new rates. When a penalty period has previously been calculated for a recipient who continues to reside in the community and who is not in receipt of home and community-based waived services, no recalculation of the penalty period is required until the individual becomes in need of nursing facility services.

B. **NOTICE REQUIREMENTS**

Social services districts must provide notices to A/Rs whose MA coverage is being limited due to a prohibited transfer of assets. The notices contained in 91 ADM-37, 95 ADM-17, and 96 ADM-8 must be used to meet this requirement.

When a social services district recalculates a penalty period for a person in receipt of nursing facility services, who first applied for MA as an institutionalized person on or after January 1, 1996, the district must advise the client of any change in the penalty period. Attachment II to 93 ADM-27, "Notice of Change in Limited Coverage Period For Institutionalized Person" must be used.

V. **SYSTEMS IMPLICATIONS**

None.

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VI. **EFFECTIVE DATE**

The changes in the regional penalty rates are effective October 1, 1996, retroactive to January 1, 1996.

Martin J. Conroy
Acting Deputy Commissioner

**COUNTY LISTING BY REGION
RATES FOR 1996**

<u>CENTRAL</u> (Syracuse)	<u>LONG ISLAND</u>	<u>NEW YORK CITY</u>
\$4,536	\$6,790	\$6,521
Broome	Nassau	Bronx
Cayuga	Suffolk	Kings (Brooklyn)
Chenango		NY (Manhattan)
Cortland		Queens
Herkimer		Richmond (Staten Island)
Jefferson		Lewis
Madison		
Oneida	<u>NORTHEASTERN</u>	<u>NORTHERN METROPOLITAN</u>
Onondaga		
Oswego	\$4,810	\$5,930
St. Lawrence		
Tioga	Albany	Dutchess
Tompkins	Clinton	Orange
	Columbia	Putnam
	Delaware	Rockland
	Essex	Sullivan
	Franklin	Ulster
	Fulton	Westchester
	Greene	
	Hamilton	
	Montgomery	<u>WESTERN</u> (Buffalo)
	Otsego	
	Rensselaer	\$4,380
	Saratoga	
	Schenectady	Allegany
	Schoharie	Cattaraugus
	Warren	Chautauqua
	Washington	Erie
<u>ROCHESTER</u>		Genesee
\$4,852		Niagara
Chemung		Orleans
Livingston		Wyoming
Monroe		
Ontario		
Schuyler		
Seneca		
Steuben		
Wayne		
Yates		

1. Use the region in which the facility is located, or if the A/R is not institutionalized, use the region in which the individual resides.
2. For out of state facilities, use the region closest to the location of the facility.