

STATE OF NEW YORK
DEPARTMENT OF HEALTH

Corning Tower

The Governor Nelson A. Rockefeller Empire State Plaza

Albany, New York 12237

Barbara A. DeBuono, M.D., M.P.H.
Commissioner of Health

Dennis P. Whalen
Executive Deputy Commissioner

Date: September 23, 1997
RE: Department Release - Transmittal No. 96 ADM-8
SUBJECT: OBRA '93 Provisions on Transfers and Trusts

Dear Sir or Madam:

Due to federal clarification regarding the counting of income in the month received when placed into an exception trust, please make the following revision to the above mentioned transmittal:

On page 8, under Trusts, paragraph b., after the first sentence, add the following: "While most exception trusts are created using the individual's resources, some may be created using the individual's income, either solely or in conjunction with resources. Income diverted directly to a trust or income received by an individual and then placed into a trust is not counted as income to the individual for Medicaid eligibility purposes. Verification that the income was placed into the trust is required. In order to eliminate the need to verify this on a monthly basis, it is recommended that you advise the recipient to divert the income directly to the exception trust."

Thank you.

Sincerely,

Ann Clemency Kohler, Director
Office of Medicaid Management