



**State of Wisconsin
Governor Scott Walker**

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**TO: Income Maintenance Supervisors
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Income Maintenance Staff
W-2 Agencies
Workforce Development Boards
Job Center Leads and Managers
Training Staff
Child Care Coordinators**

**FROM: Shawn Smith, Bureau Director
Bureau of Enrollment Policy & Systems
Division of Health Care Access and Accountability**

DHS OPERATIONS MEMO

No: DHS 15-07

DATE: 5/11/2015

FS	<input type="checkbox"/>	MA	<input checked="" type="checkbox"/>	BC+	<input checked="" type="checkbox"/>
SC	<input type="checkbox"/>	CTS	<input type="checkbox"/>	FSET	<input type="checkbox"/>

SUBJECT: Long-Term Care for Childless Adults

CROSS REFERENCE:

EFFECTIVE DATE: Immediately

PURPOSE:

The purpose of this memo is to announce a policy change to BadgerCare Plus (BC+) for certain childless adults (adults with no children under 19 years of age living in the home) who are eligible for BC+ and are receiving institutional long-term care (LTC).

BACKGROUND:

The Centers for Medicare and Medicaid Services (CMS) has issued guidance (State Medicaid Director Letter 14-01) informing states that persons eligible for medical assistance under the modified adjusted gross income (MAGI) eligibility rules may also qualify to receive coverage for (LTC) while residing in a nursing home. In addition, the guidance clarifies which eligibility rules apply, how income will be treated if the individual is found eligible, and what limits apply to estate recovery actions that may be taken with these individuals.

POLICY:

Effective immediately, institutionalized childless adults who do not meet the eligibility criteria for Medicaid for the Elderly, Blind or Disabled (EBD Medicaid) but are eligible for BC+ under the MAGI rules are eligible to have their LTC services covered by BC+. "Institutionalized" means the individual has resided in a medical institution for 30 or more consecutive days or is likely to reside in a medical institution for 30 or more consecutive days.

The following conditions apply to any childless adult who is eligible for BC+ under the MAGI rules:

- The individual does not have any nursing home patient liability.
- The individual is still subject to regular copayments for medical services if he or she has any amount of budgetable income.
- The individual is exempt from HMO enrollment, unless he or she is enrolled in a Family Care managed care organization (MCO), in which case, the individual can continue to be enrolled in the Family Care MCO.
- The individual is not subject to an asset limit. However, he or she is subject to **all** divestment and related policies in Chapter 17 of the Medicaid Eligibility Handbook (MEH) in order to qualify for receipt of LTC services. Institutionalized childless adults who divest are not eligible for LTC services, though they remain eligible for Medicaid services.
- The individual is also subject to the home equity limit (MEH, section 16.8.1.4) in order to receive LTC services.
- The individual is not subject to having a lien put on his or her home.
- The LTC services the individual receives are not subject to estate recovery, unless the individual is 55 years of age or older.

These conditions apply to any childless adult who is eligible for BC+ under the MAGI rules and who does not meet the eligibility criteria for EBD Medicaid. This includes anyone who:

- Does not meet the asset test for EBD Medicaid.
- Does not meet the income test for EBD Medicaid.
- Fails to provide or verify asset information, or any other information needed to determine EBD Medicaid eligibility.
- Has not yet been determined disabled.
- Has not yet been determined presumptively disabled.

These conditions only apply to institutionalized individuals **while they remain eligible** for BC+ as a childless adult. When an institutionalized individual has been determined eligible for EBD Medicaid, he or she is not eligible for BC+ as a childless adult. When an individual becomes eligible for LTC under EBD Medicaid rules, he or she is subject to regular estate recovery rules and will have to pay the monthly nursing home patient liability. If the individual later becomes ineligible for EBD Medicaid, he or she may again become eligible for BC+ under MAGI rules.

For example, once an individual starts receiving Medicare, he or she is no longer eligible for BC+ as a childless adult. To continue receiving LTC services, the individual would have to meet all regular EBD Medicaid eligibility criteria and would then be subject to regular estate recovery rules and patient liability.

As another example, if an institutionalized childless adult eligible for BC+ is waiting on a disability determination, he or she would receive LTC services under BC+ until the agency

receives and processes the disability determination. Once this happens, if the childless adult meets all other criteria for EBD Medicaid (including providing asset information and meeting the asset test), he or she would begin receiving LTC services under EBD Medicaid. However, if the individual still does not meet all of the eligibility criteria for EBD Medicaid — for example, if he or she fails to verify assets — the individual would continue to receive LTC services under BC+ as long as he or she continues to meet all of the eligibility criteria for BC+.

The Wisconsin Department of Health Services has learned of several childless adults residing in institutions and has directed the applicable local agencies to apply the policies outlined in this memo to those individuals. If a worker is aware of a childless adult in a nursing home who was recently denied BC+ and Medicaid, the worker should re-determine the individual's eligibility under this new policy using the original filing date for health care. However, eligibility under this policy may not be restored prior to April 1, 2014.

CARES:

Until CARES is updated to reflect these policy changes, workers should apply the workarounds that follow.

FOR A CASE RECEIVING HEALTHCARE ONLY:

For a case receiving healthcare only, workers should:

1. On the Current Demographics page, use code 01 (Living in the Home) for a childless adult residing in a nursing home, and document in the case comments the date the individual entered the nursing home.
2. Advise the individual that he or she will be disenrolled from his or her BC+ HMO while residing in the nursing home.
3. **Not** complete a Notice of Intent to File a Lien (F-13038 paper form) for the individual even if the individual is not expected to return to live in his or her home. If the individual is 54½ years of age or older at application or review, provide him or her with a copy of the Wisconsin Medicaid Estate Recovery Program Handbook (P-13032).
4. Manually determine whether the individual divested and, if applicable, the duration of the divestment penalty period. In addition to the current divestment workarounds, if an individual has divested, the worker should send an email to the CARES Call Center with the following information:
 - Individual's name.
 - Individual's Medicaid ID.
 - CARES case number.
 - Begin and end dates of the divestment penalty period.

The CARES Call Center will then add this information to the divestment report it sends to its contracted vendor, so that Medicaid will only allow billing for Medicaid services.

FOR A HEALTHCARE CASE ALSO RECEIVING FOODSHARE BENEFITS:

Residents of institutions are ineligible for FoodShare (FS). Until CARES is updated to reflect these policy changes, workers should:

1. On the Current Demographics page, use code 08 (Nursing Facility) for a childless adult residing in a nursing home who is receiving FS.

Workers will receive the following two edit messages with a yellow banner, which they should bypass by clicking “Enter” or “Next:

- AE163: You entered the living arrangement as institutions, but no institutional information exists. Please complete the Institutions page.
 - AE140: When 'Living Arrangement Type' is changed, you may want to change the Begin Month.
2. Run eligibility.
 3. On the Confirm Eligibility page, confirm only the FS termination.

Wait at least one day after confirming the FS termination before taking the following steps.

4. On the FoodShare Request page, select “NO” for “Requesting this Program/ Subprogram of Assistance?”
5. On the Current Demographics page, change the living arrangement code back to 01 (Living in the Home).
6. Run eligibility.
7. On the Confirm Eligibility page, confirm BC+ eligibility for the MAGS AG.
8. Follow steps 2 through 4 under “For a Case Receiving Healthcare Only.”

This workaround will close the FS case and automatically generate a notice to the individual that his or her FS has been closed because he or she is now residing in a public institution.

CONTACTS:

BEPS CARES Information & Problem Resolution Center

*Program Categories – FS – FoodShare, MA – Medicaid, BC+ – BadgerCare Plus, SC – SeniorCare, CTS – Caretaker Supplement, FSET – FoodShare Employment and Training.

DHS/DHCAA/BEPS/JL