

TO: Local District Commissioners, Medicaid Directors

FROM: Betty Rice, Director
Division of Consumer and Local District Relations

SUBJECT: Spousal Impoverishment Figures for 2006

EFFECTIVE DATE: January 1, 2006

CONTACT PERSON: Local District Liaison
Upstate (518) 474-8887 NYC (212) 417-4500

The Centers for Medicare & Medicaid Services (CMS) has informed the Department that due to an increase in the consumer price index, the federal maximum community spouse resource allowance (CSRA) increases to \$99,540 effective January 1, 2006. The State's minimum CSRA will remain unchanged at \$74,820. Therefore, in determining the community spouse resource allowance on and after January 1, 2006, the community spouse is permitted to retain resources in an amount equal to the greater of the following amounts:

1. **\$74,820** (the State minimum community spouse resource allowance); or
2. the amount of the spousal share up to **\$99,540** (the new federal maximum).

"Spousal share" is the amount equal to one-half of the total value of the countable resources of the couple as of the beginning of the most recent continuous period of institutionalization of the institutionalized spouse on or after September 30, 1989.

Effective January 1, 2006, the estimated annual figure for the federal poverty level for a household of two increases to \$13,350. This figure, multiplied by 150 percent and then divided by 12, equals \$1,669. Therefore, social services districts must use **\$1,669** to calculate the family member allowance, as follows:

1. Subtract the otherwise available income of the family member from \$1,669 (the remainder is entered on line 19a of page 5 of the Institutionalized Spouse Budget Worksheet);
2. Divide the remainder (amount entered on line 19a of the worksheet) by 3, and round up to the nearest dollar. This is the family member allowance (the amount is entered on line 20 of the worksheet).

If a family member has no otherwise available income, the family member allowance is **\$557**. All spousal impoverishment cases involving a family member that are active on or after January 1, 2006 must be recomputed using the new family member allowance formula.

In addition, effective January 1, 2006, the community spouse minimum monthly maintenance needs allowance (MMMNA) increases to **\$2,489** (\$2,488.50 rounded up). The increased MMMNA, family member allowance, federal maximum CSRA, and State minimum CSRA must be used when completing an assessment of a couple's resources and income.

NOTE: Effective January 1, 2006, the personal needs allowance (PNA) for waiver recipients and non-institutionalized Program of All-inclusive Care for the Elderly (PACE) recipients, whose eligibility is determined under the spousal impoverishment provisions, decreases to **\$208**. This amount equals the difference between the monthly Medicaid income level for one-person (\$692) and two-person (\$900) households. The \$900 figure for a household of two is composed of an income standard of \$867 (calculated in accordance with SSL Section 366[2][a][7]) and an additional federally approved income disregard of \$33.

Any increases in the MMMNA and family member allowance and/or changes in the NAMI of the institutionalized spouse are to be made effective January 1, 2006. Timely and adequate notice must be provided. The increased MMMNA and family member allowance must also be used effective January 1, 2006 in determining any requested contribution of income from a community spouse or from a spouse living apart from an SSI-related applicant/recipient.

As of November 25, 2005 for Upstate, MBL supported \$2,489 as the MMMNA and \$208 as the PNA for certain waiver and PACE recipients for budgets with Effective From Dates of January 1, 2006 or later. We anticipate MBL will support these figures in New York City as of January 2, 2006.

Any questions concerning this message should be directed to your local district liaison, upstate at (518) 474-8887 or in New York City at (212) 417-4500.