

TO: Local District Commissioners, Temporary Assistance Directors, Medicaid Directors, and Legal Staff

FROM: Judith Arnold, Director
Division of Coverage and Enrollment

SUBJECT: Treatment of Automobiles; Elimination of Transfer of Resources Penalty for Single Individuals and Childless Couples (S/CCs)

EFFECTIVE DATE: Immediately

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

This GIS message reminds local departments of social services (LDSS) of changes effective April 1, 2008 in a) the treatment of automobiles in determining Medicaid eligibility for non-SSI related individuals; and, b) the elimination of the 12 month transfer rule for single individuals and childless couples (S/CCs).

Automobiles

For all categories except SSI-related individuals, the policy for the treatment of automobiles has been standardized; one automobile of any value is exempt as long as it is being used by the household. A second vehicle may be exempt if there is a medical need for it or if the vehicle is being used for employment related activities. A third vehicle is also exempt if there is a child under 21 years of age in the household, and they are using this vehicle for school attendance and/or employment/medical purposes.

If the household has additional automobiles that are not exempt, the fair market value must be determined for each automobile in accordance with the method outlined in 08 TA/DC029 ("Estimating Automobile Value: Change in National Automobile Dealers Association(NADA)Pricing Guideline Terminology").

The current policy for the treatment of automobiles for SSI-related individuals detailed in the Medicaid Reference Guide has not changed and is still in effect.

Treatment of Transfers of Assets for S/CCs

Districts are reminded that Chapter 58 of the Laws of 2008 removed the S/CC transfer penalty as of April 1, 2008. Medicaid eligibility of S/CCs living in the community is determined without applying the Safety Net program prohibition against transferring resources within the 12 months prior to application.

Single individuals and childless couples will no longer have to provide information/documentation of a transfer of resources in the past 12 months. Local districts must not take a negative action with respect to the Medicaid eligibility of an S/CC if they learn of a transfer.

Please note, however, that if an S/CC individual is institutionalized and otherwise eligible for Medicaid payment of nursing facility services, Medicaid must be determined using chronic care budgeting. In this situation, the individual is subject to the transfer of assets provisions set forth in 05 OMM/ADM-6.

Medicaid Implications for Temporary Assistance (TA) Denials and Closings

A separate Medicaid eligibility determination is required for TA cases or individuals that are denied or closed due to TA policy (see OTDA 00 ADM-5) on the treatment of automobiles or transfer of assets within the 12 months prior to application.

Upstate:

Until systems changes are completed to automatically generate appropriate MA Insert Reason Codes, TA workers must manually refer S/CC individuals (Category Code "09") for a separate Medicaid determination or continue Medicaid unchanged for the following Denial/Closing Reason Codes as indicated below:

- Denial Reason Codes: U40, U41, and U42 - separate determination
- Closing Reason Codes: U40,U42,U43, U44 and U16 - separate determination
- Closing Reason Code: U41 - Medicaid must continue unchanged

NYC: Procedures will follow under separate cover.

If you have any questions about these changes, please contact your Local District Liaison at the phone numbers provided above.