

TO: Local Commissioners, MA Directors

FROM: Ann Clemency Kohler, Director, Office of Medicaid Management

SUBJECT: Spousal Impoverishment: Increases in the Federal Maximum Community Spouse Resource Allowance (CSRA), Family Member Allowance, and Minimum Monthly Maintenance Needs Allowance (MMMNA)

EFFECTIVE DATE: January 1, 1998

CONTACT PERSON: Dennis Boucher, (518) 473-6111

The Department has been informed by the Health Care Financing Administration that due to an increase in the consumer price index, the federal maximum Community Spouse Resource Allowance (CSRA) increases to \$80,760 effective January 1, 1998. The State's minimum CSRA will remain set at \$74,820. Therefore, in determining the community spouse resource allowance on and after January 1, 1998, 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 spousal resource standard); or
2. the amount of the spousal share up to \$80,760 (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 date of the first continuous period of institutionalization of the institutionalized spouse on or after September 30, 1989.

Effective January 1, 1998, the annual poverty line for a family of two increases to \$10,950. This figure multiplied by 150 percent, and then divided by 12 equals \$1,369. Therefore, social services districts must use \$1,369 instead of \$1,327 in the family member allowance formula. To calculate the family member allowance:

1. Subtract the otherwise available income of the family member from \$1,369 (the remainder is entered on line 19a of the 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).

All spousal impoverishment cases involving a family member which are active on or after January 1, 1998, must be recomputed using the new family member allowance formula.

In addition, effective January 1, 1998, the Minimum Monthly Maintenance Needs Allowance (MMMNA) increases to \$2,019. The increased MMMNA, family member allowance, federal maximum CSRA and State minimum CSRA must be used when completing an assessment of a couple's resource and income.

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, 1998. Timely and adequate notice must be provided. The increased MMMNA and family member allowance must also be used effective January 1, 1998 in determining any requested contribution of income from a community spouse or from a spouse living apart from an SSI-related A/R.

As of December 1, 1998, MBL will support \$2,019 as the MMMNA for budgets with Effective From Dates of January 1, 1998 or later. Also MBL used the new MMMNA increase during the 1997 Mass Rebudgeting and Principal Provider Update.

Any questions should be directed to Dennis Boucher at (518) 473-6111. In New York City, call 212-613-4330.