MEDICAID COMMUNICATION NO. 10- 02       DATE: May 26, 2010

TO: County Welfare Agency Directors
      Institutional Services Section (ISS) Area Supervisors

SUBJECT: Resource Assessments and Calculation of Resource Transfer Penalty Periods

Applicants seeking eligibility for "Institutional" Medicaid programs are subject to the applicable resource "look back" period and assessment. When evaluating resource transfers for new applicants or recipients Federal Statute U.S.C. § 1396p(c)(2)(C) is applicable. This statute states:

"(2) An individual shall not be ineligible for medical assistance by reason of paragraph
(1) to the extent that...

"(C) A satisfactory showing is made to the state (in accordance with regulations promulgated by the Secretary) that (i) the individual intended to dispose of the assets either at fair market value, or for other valuable consideration, (ii) the assets were transferred exclusively for a purpose other than to qualify for medical assistance, or (iii) all assets transferred for less than fair market value have been returned to the individual."

No adjustments to the penalty period can be made absent such a showing.

Should you have any questions regarding this Medicaid Communication, please contact the field representative for your agency in the Office of Eligibility Policy at 609-588-2556.

Sincerely,

John R. Guhl
Director

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Jennifer Velez, Commissioner
Department of Human Services

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Department of Human Services

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