



Policy Directive 2017-10-02

Title: Notice of Intent to Allocate Income and to Transfer Resources

Date: 10/18/2017

From: Erin Petitjean, Elderly and Disabled Medical Policy Manager

Program impacted: Long Term Care Medical

This Policy Directive details the process used by eligibility staff in obtaining completed Notice of Intent to Allocate Income and Notice of Intent to Transfer Resources forms from an applicant for long term care medical assistance. Modifications to applicable forms were made in July 2017.

Current policy requires both forms (M-3 and M-2) be sent to the applicant when requesting information necessary to process the application. These forms allow the applicant (and spouse optionally) to agree to allocate income and transfer resources by signing, dating, and returning the forms to the agency. Eligibility staff are required to track the forms for return. If the Notice of Intent to Allocate Income form (M-3) is not returned, no income allocation is allowed on the case. If the Notice of Intent to Transfer Resources form (M-2) is not returned, the application is denied.

The forms have been modified to allow the applicant to choose the amount of allocation he/she wants (M-3) and to agree to transfer resources upon approval (M-2).

The forms are to be signed and dated by the applicant or someone authorized to act on his/her behalf. Signature of the community spouse is optional. If either spouse signs with an "X", a witness is required. The forms should then be returned to the agency.

1. The Notice of Intent to Allocate Income form (M-3) will be used to determine the amount of income allocation when processing the case. If the applicant fails to return the form, the application shall be processed without allowing any income allocation to the community spouse and/or dependent family member.
2. The Notice of Intent to Transfer Resources form (M-2) is designed to verify that the applicant has agreed to transfer resources upon notice of approval. If the applicant fails to return the form, the application will be denied for failure to provide information.

Upon approval, the agency shall notify the recipient of the division of resources and the amount of income allocation. The recipient must provide proof that non-exempt resources in excess of \$2,000 were transferred to the community spouse within 90 days of the date of approval. Eligibility staff will notify the recipient of this responsibility and monitor receipt of the

appropriate documentation. Staff shall use Approval LTC – Spousal Impoverishment Information template on the Standard Text for Copy and Paste Spreadsheet for this purpose.

If proof of the transfers is not provided within 90 days of the date of approval, the combined resources of both spouses will be used to determine the long term care spouse's eligibility. If the combined resources are over \$2,000, the long term spouse will no longer be eligible for medical assistance. Timely notice is required for discontinuance.