**Policy Clarification   
Medicaid – Long Term Care  
PMN-18488-404**

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| **Submitted: 5/17** | **Agency: CAOs** |
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| **Subject: MA Recipient applying for Long Term Care (LTC) MA**  **Question: What is the process for denying an application for LTC MA when the applicant is a MA recipient?** |

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| **Response By:** Division of Health Services | **Date: 5/17/17** |

When a recipient of MA applies for LTC MA, the CAO is to follow procedures in LTCH 404.3, and request all necessary information to determine eligibility. The MA category is to remain open until a determination is made regarding LTC eligibility, and the facility code must be added to the active MA case. If the individual fails to provide specific verifications necessary to determine eligibility for LTC MA, the CAO will reject the LTC application reason code 042 (failure to provide information). If the requested information is also needed to evaluate continued MA eligibility, then the CAO must also close MA benefits for failure to provide. This would also apply when an applicant is resource ineligible for LTC MA but remains eligible for an MA program such as MAGI, where resources are not considered for financial eligibility.

**NOTE:** The CAO is not to close MA for institutionalization (reason code 056), if the individual is ineligible for LTC MA but remains MA eligible.

This process is to be used for two main reasons: To ensure continuing enrollment in HealthChoices, and to track individuals who are in a facility and are receiving MA but ineligible for LTC MA.

The CAO is to follow the steps below:

1. Based on notification of a nursing home admission, from a HealthChoices Managed Care Organization (HC MCO), or DMCSS Tech Support, a facility code must be added to the individual’s MA budget.
2. Once ready to process the LTC MA, close the MA budget, end dating the facility code on the Facility Placement screen in the workflow, and suppress the system notice.
3. Process the LTC MA application and reject LTC MA specific information such as resources, etc.
4. Send the system 042 rejection notice to the applicant, community spouse (if applicable), representative or Power of Attorney, and the facility.
5. Reopen the original MA category the day after the budget closed to prevent any lapse in coverage, and suppress the system notice if there are no changes in MA.
6. Once the MA is reopened, the CAO is to access the case through maintenance mode and add the appropriate facility code on the Facility Placement screen. Note: The “Explore LTL?” field must be blank.
7. If any information results in a change in continuing MA eligibility, the CAO is to take appropriate action and send the appropriate notice.

**Example:** Mr. A is a recipient of MA in a Healthy Horizons category in the community. His health declined and he was admitted to a LTC facility on 3/3/17. The CAO receives a PA600L requesting a LTC MA begin date of 3/3/17 on 4/6/17. The CAO sends a pending verification list to the representative for all required asset verification for the look back period. The MA remains open while LTC MA eligibility is being determined. The information was not received by the due date, and the CAO disposes of the application for failure to provide the necessary asset information for LTC MA. Since the information Mr. A did not provide was only needed to determine LTC MA eligibility, the CAO will open MA benefits. Once the MA is reopened, the CAO will access the case through maintenance mode and enter the facility code.

If the individual submits the requested information at a later date, the CAO is to follow reconsideration guidelines in LTCH 479.1.