**Policy Clarification**

**Medical Assistance – Long Term Care**

**PMN-20069-440**

**Submitted: April 15, 2020 Agency: CAOs**

**Subject:** **Long-Term Care (LTC) and Home and Community-Based Services (HCBS) Look-Back Period Resource Verification**

**Questions**: **Can the CAO authorize LTC and HCBS benefits based on Asset Verification System (AVS) Exchange 12 when the applicant does not provide documentation of resources from the look-back period?**

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| **Response By: Division of Health Services** | **Date: July 28, 2020** |  |

If an applicant is unable to provide verification of resources during the look-back period, the CAO will authorize benefits **if** the client stated on the application that no asset transfers occurred and AVS shows that there are no undisclosed accounts, no questionable deposits or withdraws, and no questionable account balances.

**Reminder:** As stated in [LTC Handbook 440.811](http://services.dpw.state.pa.us/oimpolicymanuals/ltc/Long-Term_Care_Handbook.htm) the general rule is to request the most current two years of financial statements as well as semi-annual statements for the last three years of the look-back period. **The CAO can request more documentation if it is warranted based on the information received. The CAO may also request less documentation based on information available in each case. In no case shall the CAO request more information than is needed to document eligibility (including balance and asset transfer information).**

**Example 1:** Bob is a Healthy Horizons recipient requesting HCBS in January 2020. Bob reports that he did not transfer assets for less than fair market value in the last 60 months. The CAO submits an AVS check and also requests monthly bank statements from January 2018 through December 2019 and January and June statements for 2015 through 2017. Bob only provides the most current six months of bank statements and the CAO sees no questionable withdrawals or deposits. AVS also does not show any questionable withdrawals or deposits. The CAO will not require additional bank statements to authorize HCBS.

**Example 2:** Jen is applying for HCBS in January 2020. Jen reports that she did not transfer assets for less than fair market value in the last 60 months. The CAO requests monthly bank statements from January 2018 through December 2019 and January and June statements for 2015 through 2017. Jen only provides the most current six months of bank statements. The CAO finds in the bank statements questionable withdrawals.  The CAO will require additional bank statements to determine how the withdrawn money was spent or where the money was deposited. If Jen does not provide the additional bank statements needed to verify assets were not transferred for less than fair market value, the CAO will reject the application for failure to provide.

**Example 3:** Lynn is applying for LTC facility services in January 2020. The resource limit is $2,000 (with a standard $6,000 disregard). Lynn reports a checking account valued at $7,000. The AVS response shows the same checking account with a current balance of $7,200 but with a previous balance of $10,000. The CAO will require verification of how the account was reduced to include verification of how the money was spent or where the withdrawn funds were deposited. If Lynn does not provide verification, the CAO will reject the application for failure to provide.