**Policy Clarifications – Medicaid - Long Term Care**

**PMN 18255-450**

**Submitted: 11/17/16 Agency: CAOs**

**Subject: Proper Use of Income Code 98-Long Term Care (LTC) Related Unearned Income**

**Question:**  Will income code 98 be counted when determining eligibility for benefits? When should income code 98 be used?

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| **Response By: Division of Health Services** | **Date:**  |

With the November Release effective 11/14/16 income code 98 entered for eligible and counted members will be used to determine eligibility for LTC and other benefits. Income designated by code 98 will continue to **not** be counted for individuals with an eligibility status of ‘N’ in LTC budgets.

In order to ensure program eligibility is determined correctly income code 98 will be used in the following circumstances:

* Use income code 98 to designate the Community Spouse Monthly Maintenance Needs Allowance (CSMMNA) in the community spouse’s own MA, SNAP, Cash or LIHEAP record, if she is receiving other benefits.
* Use income code 98 to designate LTC-specific counted income such as income from LTC insurance policies paid directly to the individual, for eligible members in LTC cases.

**Reminder:** Use income code 99 (Other Unearned Income) to designate the income generated from the protected share of resources for the community spouse in the LTC facility record.

**Example:** Mr. A is a married individual applying for LTC facility services. The CAO determined Mrs. A’s protected share of resources as $42,000. Mr. A receives RSDI of $1500 per month. Mrs. A receives RSDI of $900 per month and the CAO determined her income generated from the protected share of resources to be $52.50 per month. Mrs. A’s $52.50 per month income generated from the protected share of resources will be entered as income code 99 in the LTC record so that it is counted when determining Mrs. A’s Community Spouse Monthly Maintenance Needs Allowance (CSMMNA). If Mrs. A later applies for another benefit, the CAO will enter Mrs. A in her own record with the CSMMNA designated as income code 98. Using code 98 to designate the CSMMNA will ensure that the CSMMNA is used to determine eligibility for other benefits but will not adversely affect her income in the LTC facility record.

Area Managers will be sent lists of LTC cases with income code 98. CAOs must review these cases and make changes as described above prior to re-running eligibility or the LTC automated COLA scheduled for 1/8/17. If the income generated from the protected share of resources is not updated, this income will be incorrectly excluded from the LTC case causing an incorrect increase in the spousal allowance and decrease in the cost of care.