

Medicaid Eligibility Procedure Letter No. 112

Effective Date: February 26, 2016

OAC Rules: 5160:1-3-05.3 and 5160:1-3-07.2(G)

To: All Medicaid Eligibility Manual Holders

From: John B. McCarthy, Director

Subject: Treatment of Annuities

Reason for Change: The Ohio Department of Medicaid (ODM) is revising its policy about how to treat the purchase of an annuity by an individual or the individual's spouse after the date of institutionalization, but before the eligibility determination date, in an amount that is above the Community Spouse Resource Allowance (CSRA).

Prior Policy: Currently, caseworkers are required to treat the purchase of the annuity by an individual or the individual's spouse after the date of institutionalization, but before the eligibility determination date, as an improper transfer if the purchase price is above the CSRA.

New Policy: Effective immediately, the purchase of annuity by an individual or the individual's spouse after the date of institutionalization, but before the eligibility determination date, in an amount above the CSRA shall not be determined improper if the purchase of the annuity meets the requirements listed in Ohio Administrative Code 5160:1-3-05.3. Those requirements include, that the State of Ohio be named as a remainder beneficiary in the correct position.

Action Required: Effective immediately, when determining eligibility for long-term care services, caseworkers must determine whether the purchase of an annuity meets the requirements listed in Ohio Administrative Code 5160:1-3-05.3. One of those requirements is that the State of Ohio must be named as the primary remainder beneficiary (or as the second remainder beneficiary after a community spouse or minor or disabled child) for at least the value of the Medicaid assistance provided. If the annuity does not name the State of Ohio as a remainder beneficiary in the correct position, the annuity must be treated as an improper transfer. The full purchase price of the annuity is the amount that is subject to penalty. If any of the other applicable requirements listed in Ohio Administrative Code 5160:1-3-05.3 are not met, the purchase of the annuity must be treated as an improper transfer. The full purchase price of the annuity is the amount that is subject to penalty.

Please contact ODM Eligibility Technical Assistance at Medicaid_Eligibility_TA@Medicaid.Ohio.gov for further assistance or clarification regarding the processing of specific cases. If additional assistance is needed, please contact the CRISE Help Desk at CRISE_HELPDESK@jfs.ohio.gov.

This information is also available on the Internet. The information may be accessed on the ODM website under the header “Medicaid Policy” and found under Behavioral Health, Eligibility, & CHIP - Medicaid Eligibility Procedure Letter (MEPL):
<http://www.medicaid.ohio.gov/RESOURCES/Publications/ODMGuidance.aspx#1535541-medicaid-policy>