

TO: Local Commissioners, Medicaid Directors

FROM: Betty Rice, Director
Division of Consumer and Local District Relations

SUBJECT: Spousal Impoverishment Figures for 2005

EFFECTIVE DATE: January 1, 2005

CONTACT PERSON: Local District Liaison
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The Centers for Medicare & Medicaid Services (CMS) has informed the Department that due to an increase in the consumer price index, the federal maximum Community Spouse Resource Allowance (CSRA) increases to \$95,100 effective January 1, 2005. The State's minimum CSRA will remain unchanged at \$74,820. Therefore, in determining the community spouse resource allowance on and after January 1, 2005, the community spouse is permitted to retain resources in an amount equal to the greater of the following amounts:

1. **\$74,820** (the State minimum community spouse resource allowance); or
2. the amount of the spousal share up to **\$95,100** (the new federal maximum).

"Spousal share" is the amount equal to one-half of the total value of the countable resources of the couple as of the beginning of the most recent continuous period of institutionalization of the institutionalized spouse on or after September 30, 1989.

Effective January 1, 2005, the estimated annual figure for the federal poverty level for a household of two increases to \$12,780. This figure multiplied by 150 percent and then divided by 12 equals \$1,598. Therefore, social services districts must use **\$1,598** to calculate the family member allowance, as follows:

1. Subtract the otherwise available income of the family member from \$1,598 (the remainder is entered on line 19a of page 5 of the Institutionalized Spouse Budget Worksheet);
2. Divide the remainder (amount entered on line 19a of the worksheet) by 3, and round up to the nearest dollar. This is the family member allowance (the amount is entered on line 20 of the worksheet).

If a family member has no otherwise available income, the family member allowance is **\$533**. All spousal impoverishment cases involving a family member, that are active on or after January 1, 2005, must be recomputed using the new family member allowance formula.

In addition, effective January 1, 2005, the community spouse minimum monthly maintenance needs allowance (MMMNA) increases to **\$2,378**. The increased MMMNA, family member allowance, federal maximum CSRA, and State minimum CSRA, must be used when completing an assessment of a couple's resources and income.

NOTE: Effective January 1, 2005, the personal needs allowance (PNA) for waiver recipients and non-institutionalized Program of All-inclusive Care for the Elderly (PACE) recipients, whose eligibility is determined under the spousal impoverishment provisions, increases to **\$308**. This amount equals the difference between the Medicaid income level for one-person and two-person households.

Any increases in the MMMNA and family member allowance and/or changes in the NAMI of the institutionalized spouse are to be made effective January 1, 2005. Timely and adequate notice must be provided. The increased MMMNA and family member allowance must also be used effective January 1, 2005 in determining any requested contribution of income from a community spouse or from a spouse living apart from an SSI-related applicant/recipient.

As of November 29, 2004, for Upstate, MBL supported \$2,378 as the MMMNA and \$308 as the PNA for certain waiver and PACE recipients for budgets with Effective From Dates of January 1, 2005 or later. We anticipate MBL will support these figures in New York City as of January 2, 2005.

Any questions concerning this message should be directed to your local district liaison, upstate at (518) 474-8216 or in New York City at (212) 268-6855.