



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

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GENERAL LETTER NO. 8-I-75

ISSUED BY: Bureau of Financial, Health and Work Supports
Division of Adult, Children and Family Services

SUBJECT: Employees' Manual, Title 8, Chapter I, **MEDICAL INSTITUTIONS**,
pages 49 and 52, revised.

Summary

Chapter 8-I is revised to update the amounts that represent 125 percent of the statewide average charges and revise examples. Use these amounts to determine if a person with a medical assistance income trust (MAIT) qualifies for facility payment.

Effective Date

July 1, 2016

Material Superseded

This material replaces the following pages from Employees' Manual, Title 8, Chapter I:

<u>Page</u>	<u>Date</u>
49, 52	June 26, 2015

Additional Information

Refer questions about this general letter to your area income maintenance administrator.

See [8-D, Trusts](#), for more information about requirements for medical assistance income trusts. Iowa law requires certain deductions be allowed from the trust beneficiary's gross income when determining client participation.

The following sections explain:

- ◆ [125 Percent of the statewide average charges for care](#)
- ◆ [Trust payments](#)
- ◆ [Determination of client participation](#)

125 Percent of the Statewide Average Charge for Care

Legal reference: 441 IAC 75.24(3)"b"

Charge for care figures for July 1, 2016, through June 30, 2017, are:

Type of Care	Charge for Care
Nursing facility	\$6,584
PMIC	\$9,999
Mental health institute	\$37,135
ICF/ID	\$36,144

Substitute a higher amount for 125 percent of the average statewide charge for nursing facility care in the following situations:

If the trust beneficiary meets the level of care requirements for...	Then use this amount in the income comparison:
Nursing facility care and receives some type of specialized care (e.g., care in a Medicare-certified hospital-based nursing facility or a nursing facility providing care to special populations such as an Alzheimer's unit, pediatric skilled care, or skilled care for brain injury)	The cost of the type of specialized care being received. In general, use the rate charged by the facility.
Skilled nursing care and is eligible for HCBS waiver or programs for all-inclusive care for the elderly (PACE) services except for income	The costs in a facility providing the type of care being received

1. Mrs. S is in a nursing facility at nursing facility level of care. She has social security benefits of \$974 and a pension of \$780, for total gross monthly income of \$1,754. Mrs. S did not really need a medical assistance income trust but is paying all of her income to the trust.

Mrs. S's total income is less than 125 percent of the average charge for nursing facility level of care. The trust will pay her all of the available income. Count the payment from the trust to Mrs. S as income. She is income-eligible for Medicaid payment of nursing facility care using the medical assistance income trust.

2. Mr. T is in a nursing facility at the nursing facility level of care. He has social security benefits of \$1,200 and a monthly pension of \$1,138 per month. Only his social security check is deposited into his medical assistance income trust.

Mr. T's total income is less than 125 percent of the average charge for nursing facility care. The trust may set aside \$10 per month for administration. The trust will pay Mr. T the \$50 personal needs allowance each month Mr. T is income-eligible for Medicaid payment of nursing facility care using the medical assistance income trust.

3. Mr. W is in the Alzheimer's unit of a nursing facility. He meets the nursing facility level of care. He has social security benefits of \$2,825, an annuity payment of \$1,450, and a monthly private pension of \$2,400.

Mr. W's total income is \$6,675. His total income is higher than \$6,584, 125 percent of the average charge for nursing facility care. However, since Mr. W is receiving specialized care, the cost of his Alzheimer's care can be substituted for the average nursing facility charge.

Mr. W provides a statement from the nursing facility that he pays \$225 per day for his care. The average monthly cost would be \$6,840 ($\$225 \times 30.4 = \$6,840$). The cost of \$6,840 can be substituted in place of 125 percent of the statewide average charge for nursing facility care. Mr. W is income-eligible for Medicaid payment of nursing care using the medical assistance income trust.

If the total income received by the beneficiary (including income received by or generated by the trust) **equals** or is **greater** than 125 percent of the applicable statewide average charge for care, Iowa law directs the trust to make the following payments, in the following order:

1. A reasonable amount may be paid or set aside for trust administration fee, not to exceed \$10 per month without court approval. This payment is not considered income to the client.