STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Iowa

TRANSFER OF ASSETS

1917(c) **FOR TRANSFERS OF ASSETS FOR LESS THAN FAIR MARKET VALUE MADE ON OR AFTER FEBRUARY 8, 2006,** the agency provides for the denial of certain Medicaid services.

1. Institutionalized individuals are denied coverage of certain Medicaid services upon disposing of assets for less than fair market value on or after the look-back date.

   The agency does not provide medical assistance coverage for institutionalized individuals for the following services:

   Nursing facility services;

   Nursing facility level of care provided in a medical institution;

   Home and community-based services under a 1915(c) or (d) waiver.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Iowa

TRANSFER OF ASSETS

2. Non-institutionalized individuals:

X The agency applies these provisions to the following non-institutionalized eligibility groups. These groups can be no more restrictive than those set forth in section 1905(a) of the Social Security Act:

All eligibility groups.

The agency withholds payment to non-institutionalized individuals for the following services:

Home health services (section 1905(a)(7));

Home and community care for functionally disabled elderly adults (section 1905(a)(22));

Personal care services furnished to individuals who are not inpatients in certain medical institutions, as recognized under agency law and specified in section 1905(a)(24).

X The following other long-term care services for which payment for medical assistance is otherwise made under the agency plan:

None.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Iowa

TRANSFER OF ASSETS

3. Penalty date: The beginning date of each penalty period imposed for an uncompensated transfer of assets is the later of:

- The first day of a month during or after which assets have been transferred for less than fair market value;

  X The State uses the first day of the month in which the assets were transferred.

  ___ The State uses the first day of the month after the month in which the assets were transferred.

or

- The date on which the individual is eligible for medical assistance under the State plan and is receiving institutional level care services described in paragraphs 1 and 2 that, were it not for the imposition of the penalty period, would be covered by Medicaid;

  AND

  Which does not occur during any other period of ineligibility for services by reason of a transfer of assets penalty.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Iowa

TRANSFER OF ASSETS

4. Penalty period – institutionalized individuals: In determining the penalty for an institutionalized individual, the agency uses:

   X The average monthly cost to a private patient of nursing facility services in the State at the time of application;

   ___ The average monthly cost to a private patient of nursing facility services in the community in which the individual is institutionalized at the time of application.

5. Penalty period – non-institutionalized individuals: The agency imposes a penalty period determined by using the same method as is used for an institutionalized individual, including the use of the average monthly cost of nursing facility services:

   ___ Imposes a shorter penalty period than would be imposed for institutionalized individuals, as outlined below:

6. Penalty period for amounts of transfer less than cost of nursing facility care:

   X Where the amount of the transfer is less than the monthly cost of nursing facility care, the agency imposes a penalty for less than a full month, based on the option selected in item 4.

   X The state adds together all transfers for less than fair market value made during the look-back period in more than one month and calculates a single period of ineligibility, that begins on the earliest date that would otherwise apply if the transfer had been made in a single lump sum.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Iowa

TRANSFER OF ASSETS

7. Penalty periods – transfer by a spouse that results in a penalty period for the individual:

   (a) The agency apportions any existing penalty period between the spouses using the method outlined below, provided the spouse is eligible for Medicaid. A penalty can be assessed against the spouse, and some portion of the penalty against the individual remains.

   Divide the remaining penalty equally between spouses, so that the total remaining penalty on both spouses does not exceed the remaining length of the penalty originally imposed on the individual.

   (b) If one spouse is no longer subject to a penalty, the remaining penalty period must be served by the remaining spouse.

8. Treatment of a transfer of income:

   When income has been transferred as a lump sum, the agency will calculate the penalty period on the lump sum value.

   When a stream of income or the right to a stream of income has been transferred, the agency will impose a penalty period for each income payment.

   X For transfers of individual income payments, the agency will impose partial month penalty periods using the methodology selected in 6. above.

   X For transfers of the right to an income stream, the agency will base the penalty period on the combined actuarial value of all payments transferred.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Iowa

TRANSFER OF ASSETS

9. Imposition of a penalty would work an undue hardship:

The agency does not impose a penalty for transferring assets for less than fair market value in any case in which the agency determines that such imposition would work an undue hardship. The agency will use the following criteria in making undue hardship determinations:

Application of a transfer of assets penalty would deprive the individual:

(a) Of medical care such that the individual's health or life would be endangered; or

(b) Of food, clothing, shelter, or other necessities of life.

Application of a transfer of assets penalty will not be considered to meet the above hardship criteria unless the following conditions are met.

The person who transferred the assets or the person's spouse has exhausted all legal remedies and consultation with an attorney to recover the assets.

The person's remaining available resources (after attribution for the community spouse) are less than the monthly statewide average cost of nursing facility services to a private pay resident, counting the value of all resources except:

- The home, if occupied by a dependent relative or if a licensed physician verifies that the person is expected to return home.
- Household goods.
- A vehicle required by the client for transportation.
- Burial funds of $4,000 or less.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Iowa

TRANSFER OF ASSETS

10. Procedures for undue hardship waivers:

The agency has established a process under which hardship waivers may be requested that provides for:

(a) Notice to a recipient subject to a penalty that an undue hardship exception exists;

(b) A timely process for determining whether an undue hardship waiver will be granted; and

(c) A process, which is described in the notice, under which an adverse determination can be appealed.

These procedures shall permit the facility in which the institutionalized individual is residing to file an undue hardship waiver application on behalf of the individual with the consent of the individual or the individual's personal representative.

11. Bed hold waivers for hardship applicants:

The agency provides that while an application for an undue hardship waiver is pending in the case of an individual who is a resident of a nursing facility:

___ Payments to the nursing facility to hold the bed for the individual will be made for a period not to exceed _____ days (may not be greater than 30).