

**Wisconsin Long-Term Care Insurance Partnership Program
WI Medicaid Training**

PART I



Introduction to the WILong-Term Care Insurance Partnership Program and The Wisconsin Medicaid Program: An Overview

The information contained in this training material is current as of June 2, 2008.

Contents

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Why is this training important to me?



This Training is important to you Because...

The WILong-Term Care Insurance Partnership (LTCIP) program creates a new role for you to play relative to your clients and the WI Medicaid program.

This training is intended to help you learn that role by gaining an understanding of WI Medicaid and How WI Medicaid relates to the WI Long-Term Care Insurance Partnership (LTCIP) program.

Becoming familiar with this relationship is the key to knowing how low income WI residents can benefit most from participating in the WILTCIP program.

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Introduction to the WI Long Term Care Insurance Partnership Program

Introduction to the WI Long-Term Care Insurance Partnership Program

The WI Long Term Care Insurance Partnership (LTCIP) Program is a joint effort between the federal Medicaid Program, long-term care insurers, and the State of Wisconsin.



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Introduction to the WI Long-Term Care Insurance Partnership Program

The purpose of the WI LTCIP program is to encourage people to plan for future long-term care needs, such as:

- Residing in a nursing facility
- OR**
- 2. Receiving long-term care services in one's home or another community-based setting.

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Introduction to the WI Long-Term Care Insurance Partnership Program

In Wisconsin, the LTCIP Program Includes:

- Private Long-Term Care Insurers
- Long-Term Care Insurance Producers (agents and brokers)
- The Department of Health and Family Services (DHFS)
- The Office of the Commissioner of Insurance (OCI)

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Introduction to the WI Long-Term Care Insurance Partnership Program

At the federal level, the LTCIP program is overseen by the federal Centers for Medicare and Medicaid Services (CMS).

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Introduction to the WI Long-Term Care Insurance Partnership Program

Under the WI LTCIP program, an amount equal to the amount of benefits that an individual receives under a qualifying LTCIP insurance policy is excluded when determining:

- The individual's resources for purposes of determining WI Medicaid eligibility and
- The amount to be recovered from the individual's estate if the individual receives WI Medicaid benefits

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Intro RECAP

Intro RECAP

Participation in the WI LTCIP program can affect the low income person's WI Medicaid eligibility and estate planning.

Some low income people who wish to participate in the WI LTCIP program may already be eligible for WI Medicaid.

Some will become eligible for WI Medicaid at some point after they begin participating in the WI LTCIP program.

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Intro RECAP

It is important to understand the precise relationship between the WI LTCIP program and WI Medicaid so that:

- You can provide sound advice to low income people who inquire about the WI LTCIP program and
- You can also accurately explain to low income people the potential benefit of participating in the WI LTCIP program relative to qualifying for WI Medicaid and protecting their estate.

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The Wisconsin Medicaid Program: An Overview

The Wisconsin Medicaid Program: An Overview

- What is WI Medicaid?
- What is WI Family Care?
- What is WI Family Care Partnership?
- What is Institutional Medicaid?
- How Can Consumers Learn About Long-Term Care Options in WI?




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What is WI Medicaid?

And more importantly....

Why do I need to know about WI Medicaid?



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It is important to know about WI Medicaid Because...

You will consider selling qualified WILTCIP policies to people who may become, or who perhaps already are, eligible for WI Medicaid.

The amount of benefits paid by a qualified WILTCIP policy could have an effect on a person's eligibility for WI Medicaid, as well as his/her estate planning. Part II of this training explains this in detail.

You will need to understand this potential effect **before** you sell the policy so that you can explain it to the person who is considering purchasing the policy.

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AND Because...

When one of your clients does apply for WI Medicaid, you will be asked to verify the qualified policy's payout amount as part of the WI Medicaid application process. Part II of this training explains this in detail.

You may also be asked to verify the qualified policy's premium amount. Part II of this training explains this in detail.

To fulfill this new role, you will need to understand some WI Medicaid basics.

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What is WI Medicaid?

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graph TD
    A[WI Medicaid] --> B[WI Family Care]
    A --> C[WI Family Care Partnership]
    A --> D[WI Home- & Community-Based Waivers]
    A --> E[Institutional Medicaid]
  
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WI Medicaid covers certain acute, primary and long-term care services. Institutional Medicaid, the WI Medicaid Home- and Community-Based Waivers, WI Family Care and WI Family Care Partnership comprise the four main ways that WI Medicaid delivers long-term care.

Of these, WI Family Care and WI Family Care Partnership are designed specifically to allow functionally impaired elderly and disabled persons to remain in their homes and communities. (Note: the WI Home- and Community-Based Waivers are in the process of being replaced by WI Family Care and WI Family Care Partnership. For that reason, the waivers are not addressed in this training. Waiver eligibility policy is the same as that used for WI Family Care Partnership. Waiver benefits are similar to those under WI Family Care; however, WI Family Care is a managed care program, whereas, waiver services are provided on a fee-for-service basis).

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What is WI Medicaid?

WI Medicaid is paid for in part by the federal government and in part by state government.

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What is WI Medicaid?

The benefits that WI Medicaid will pay for are established by the federal government and certain additional benefits that WI has chosen to cover. WI Medicaid has very specific financial limits for persons applying for coverage.

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WI Medicaid Applications

Medicaid Applications

Applications for WI Medicaid are accepted at county government human service agencies. WI Medicaid eligibility is reviewed annually.

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What is WI Medicaid?

Medicaid Reimbursement

WI Medicaid will reimburse covered services provided by WI Medicaid certified providers. Not all service providers will accept WI Medicaid as payment. WI Medicaid reimbursement is often lower than market rates.

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What is WI Medicaid?

Medicaid and Payment for Services

Payment goes directly to certified service provider.

Other insurance carrier must be billed first before WI Medicaid will consider for payment.

As payer of last resort, WI Medicaid pays what is not covered by other insurance (e.g. Medicare or private health insurance).

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What is WI Medicaid?

Medicaid and Payment for Services

If a person moves to a nursing home or receives home health services on a private pay/insured basis, can no longer pay, and becomes eligible for WI Medicaid, WI Medicaid is not obligated to pay for services from that provider unless:

- the provider is WI Medicaid certified and
- the person has a need for that level of care, as determined by the State of Wisconsin

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What is WI Medicaid?

Individuals in WI Medicaid are entitled to covered acute, primary and long-term care services including:

<ul style="list-style-type: none"> Physician Hospital Durable medical equipment (wheelchairs; hospital beds) Home health (nursing) Medical supplies Nursing facility (skilled and intermediate care nursing homes) 	<ul style="list-style-type: none"> Occupational therapy Personal care (assistance with bathing, dressing, toileting, eating, etc.) Pharmacy and prescription drugs Physical therapy Speech and language therapy Transportation for medical visits
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What is WI Medicaid? RECAP

What is WI Medicaid? RECAP

WI Medicaid is a publicly-subsidized, means tested program that pays for certain acute, primary and long-term care services for low income elderly and disabled persons.

In addition to covering institutional settings, WI Medicaid offers several unique subprograms specifically designed to allow functionally impaired elderly and disabled persons to remain in their homes and communities.

WI Medicaid reimburses only service providers who are certified by the WI Medicaid program.

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What is WI Medicaid? RECAP

WI Medicaid-covered long-term care services may also be covered by a qualified WI LTCIP program policy.

WI Medicaid is the “payer of last resort,” meaning that WI Medicaid will reimburse a claim for covered services only after all other payment sources have been billed.

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What is WI Medicaid? **RECAP**

The amount of benefits paid by a qualified WI LTCIP program policy may affect the elderly or disabled person's WI Medicaid eligibility and estate planning.

Long-term care insurers need to understand these and other WI Medicaid policy fundamentals, which are based on federal and state law, in order to better serve their customers.

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QUICK QUIZ

True or False

The WI Medicaid Program is entirely funded by the federal government. **True or False**

The WI Medicaid Program will reimburse any willing provider of services. **True or False**

When a WI Medicaid recipient has other health insurance, the WI Medicaid Program reimburses service providers before the other health insurance is billed. **True or False**

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QUICK QUIZ

True or False

The WI Medicaid Program is entirely funded by the federal government. **True or False**

The WI Medicaid Program will reimburse any willing provider of services. **True or False**

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What is WI Family Care?

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graph TD
    A[WI Medicaid] --> B[WI Family Care]
    A --> C[WI Family Care Partnership]
    A --> D[WI Home- & Community-Based Waivers]
    A --> E[Institutional Medicaid]
    
```


You Are Here. WI Family Care is a subprogram of WI Medicaid.

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What is WI Family Care?

WI Family Care is a public program unique to Wisconsin.

This program offers a full range of managed long-term care services to people who need a nursing home level of care, but who wish to live in their own home or another community-based setting.



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What is WI Family Care?

To Join WI Family Care, a person...

- Must be financially eligible for WI Medicaid
- Must be functionally eligible for WI Family Care (i.e., must meet a certain level of functional impairment)
- Must pay "Cost Share" (determined based on a sliding fee schedule) if income is above a certain level

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What is WI Family Care?

Functional Screening Process

- Extensive interview which gathers medical information
- Establishes a level of care necessary for health and safety
- Establishes whether the person's functional impairments qualify him/her to receive the WI Family Care benefit

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What is WI Family Care?

Network of Providers

- Participants cannot necessarily choose an out-of-network provider, unless it is necessary for quality of care or quality of life
- Network providers focus on enabling people to live at home or an apartment-like setting of their choice
- Quality of care is assured by the state of Wisconsin

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What is WI Family Care?

The WI Family Care benefit for community-based long-term care is more extensive than would be available to persons qualifying only for WI Medicaid.

WI Family Care members can access any long-term care benefit that they need, based on joint decisions with the care team.

WI Family Care does not cover acute and primary care services, but such services are covered by the WI Medicaid program and, for those eligible, by Medicare.

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What is WI Family Care?

WI Family Care benefits include:

Adaptive Aids (general and vehicle)	Counseling and Therapeutic Resources
Adult Day Care	Day Services/Treatment
Alcohol and Other Drug Abuse Day Treatment Services	Durable Medical Equipment, except for hearing aids and prosthetics
Care/Case Management (including Assessment and Case Planning)	Home Health
Communication Aids/Interpreter Services	Home Modifications
Consumer Education and Training	Housing Counseling

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What is WI Family Care?

WI Family Care benefits include:

Meals: home delivered	Personal Care (assistance with bathing, eating, toileting, dressing)
Medical Supplies	Personal Emergency Response System Services
Mental Health Day Treatment	Physical Therapy
Nursing Facility	Relocation Services (from nursing home to community)
Nursing Services (including respiratory care)	Residential Services: Certified Residential Care Apartment Complex (RCAC)
Occupational Therapy	

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What is WI Family Care?

WI Family Care benefits include:

Community-Based Residential Facility (CBRF)	Supportive Home Care Transportation (limited to certain needs)
Adult Family Home	
Respite Care (for care givers and members)	
Specialized Medical Supplies	
Speech and Language Pathology Services	



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What is WI Family Care? RECAP

What is WI Family Care? RECAP

WI Family Care is a managed long-term care option for WI Medicaid eligible individuals who have a certain level of functional impairment and who prefer to live in a community-based setting rather than a nursing home.

The amount of benefits paid by a qualified WI LTCIP program policy may affect a person's WI Medicaid eligibility and, therefore, his/her eligibility to enroll in WI Family Care.

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What is WI Family Care? RECAP

You may be asked to document the amount of benefits paid by the qualified WI LTCIP program policy when a person applies for WI Family Care.

The premiums associated with a qualified WI LTCIP program policy may affect the amount that a person must pay monthly to remain enrolled in WI Family Care.

You may be asked to document the amount of the premium paid by the individual for coverage under the qualified WI LTCIP program policy.

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QUICK QUIZ

True or False

WI Family Care enrollees must meet WI Medicaid financial eligibility requirements. **True or False**

Some WI Family Care enrollees may be required to contribute toward the cost of their care. **True or False**

WI Family Care enrollees have their functional needs measured via a "functional screen" conducted by a program social worker. **True or False**

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QUICK QUIZ

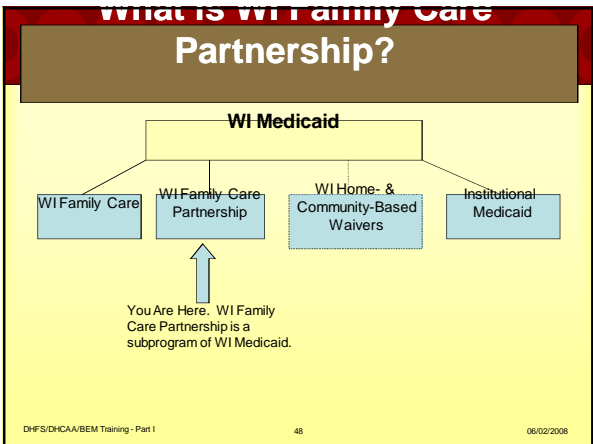
True or False

WI Family Care enrollees must meet WI Medicaid financial eligibility requirements. **True**

Some WI Family Care enrollees may be required to contribute toward the cost of their care. **True**

WI Family Care enrollees have their functional needs measured via a "functional screen" conducted by a program social worker. **True**

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What is WI Family Care Partnership?

This program is not to be confused with the WI Long-Term Care Insurance Partnership Program.

The WI Family Care Partnership program is a managed care program like the rest of WI Family Care, offering the long-term care services listed previously. Additionally, Partnership offers acute and primary care and provides a more medically-oriented care team that works in close consultation with the physician.

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What is WI Family Care Partnership?

To join WI Family Care Partnership, people must be financially eligible for Medicaid.

People with incomes above the eligible income level may be required to pay a cost-share.

WI Family Care Partnership members must require the equivalent of a nursing home level of care, as determined by the functional screen.

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What is WI Family Care Partnership? RECAP

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What is WI Family Care Partnership? RECAP

WI Family Care Partnership is another managed long-term care option for WI Medicaid eligible individuals who require a nursing home level of care, but who prefer to live in a community-based setting rather than a nursing home.

The amount of benefits paid by a qualified WI LTCIP program policy may affect a person's WI Medicaid eligibility and, therefore, his/her eligibility to enroll in WI Family Care Partnership.

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What is WI Family Care Partnership? RECAP

You may be asked to document the amount of benefits paid by the qualified LTCIP program policy when a person applies for WI Family Care Partnership.

The premiums associated with a qualified WI LTCIP program policy may affect the amount that a person must pay monthly to remain enrolled in WI Family Care Partnership.

You may be asked to document the amount of the premium paid by the individual for coverage under the qualified WI LTCIP program policy.

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QUICK QUIZ

True or False

The WI Family Care Partnership Program is different than the WI Long-Term Care Insurance Partnership Program. **True or False**

One of the main differences between the WI Family Care and WI Family Care Partnership programs is that WI Family Care Partnership offers a managed acute, primary and long-term care benefit package. WI Family Care is a managed long-term care benefit. **True or False**

3. In order to meet the program's functional eligibility requirements, WI Family Care Partnership program enrollees must demonstrate the need for a level of care which they would receive in a nursing home. **True or False**

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QUICK QUIZ

True or False

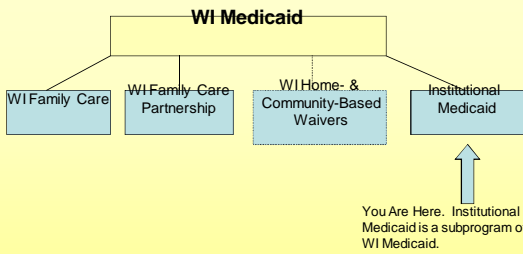
The WI Family Care Partnership Program is different than the WI Long-Term Care Insurance Partnership Program. **True**

One of the main differences between the WI Family Care and WI Family Care Partnership programs is that WI Family Care Partnership offers a managed acute, primary and long-term care benefit package. WI Family Care is a managed long-term care benefit. **True**

3. In order to meet the program's functional eligibility requirements, WI Family Care Partnership program enrollees must demonstrate the need for a level of care which they would receive in a nursing home. **True**

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What is Institutional Medicaid?



WI Medicaid

- WI Family Care
- WI Family Care Partnership
- WI Home- & Community-Based Waivers
- Institutional Medicaid

You Are Here. Institutional Medicaid is a subprogram of WI Medicaid.

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What is Institutional Medicaid?

Institutional Medicaid provides a full range of medical services for those who reside in a medical care facility, including skilled nursing facilities (SNF), intermediate care facilities (ICF), and hospitals.

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What is Institutional Medicaid?

To be eligible for Institutional Medicaid, the person must have resided in a medical facility for at least 30 days and meet certain WI Medicaid financial requirements.

To remain eligible for Institutional Medicaid, the person must contribute toward the cost of their care ("patient liability"), an amount determined based on income.

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What is Institutional Medicaid? RECAP

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What is Institutional Medicaid? RECAP

Institutional Medicaid is a long-term care option for WI Medicaid eligible individuals who have resided in a medical facility for at least 30 days.

The amount of benefits paid by a qualified WI LTCIP program policy may affect a person's eligibility for Institutional Medicaid.

You may be asked to document the amount of benefits paid by the qualified WI LTCIP program policy when a person applies for Institutional Medicaid.

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What is Institutional Medicaid?
RECAP

The premiums associated with a qualified WI LTCIP program policy may affect the amount that a person must pay monthly to remain eligible for Institutional Medicaid.

You may be asked to document the amount of the premium paid by the individual for coverage under the qualified WI LTCIP program policy.

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QUICK QUIZ

True or False

How long a person has resided in a medical facility is irrelevant when determining eligibility for Institutional Medicaid. **True or False**

A person can be eligible for Institutional Medicaid and live in his/her own home. **True or False**

When a person is eligible for Institutional Medicaid, his/her cost-share is referred to as the "patient liability." **True or False**

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QUICK QUIZ

True or False

How long a person has resided in a medical facility is irrelevant when determining eligibility for Institutional Medicaid. **True or False**

A person can be eligible for Institutional Medicaid and live in his/her own home. **True or False**

When a person is eligible for Institutional Medicaid, his/her cost-share is referred to as the "patient liability." **True**

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How Can Consumers Learn About the Long-Term Care Options in Wisconsin?

Aging and Disability Resource Centers or ADRCs

These agencies are "one-stop" sources of information and advice about long-term care, aging and disability in Wisconsin, and specifically in that county.

Where none exist, there are county offices on aging. Refer your clients to their local ADRC (or aging office) when they have questions about long-term care, aging, or disability.

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How Can Consumers Learn About the Long-Term Care Options in Wisconsin?

Information and Assistance Specialists

These specialists maintain up-to-date data bases about all programs and resources, and can assist people to problem-solve when a relative has a need for care, service or financial support.

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How Can Consumers Learn About the Long-Term Care Options in Wisconsin?

Benefit Specialist

Each ADRC has a Benefit Specialist to help cut the "red tape" of Social Security, Medicare, Part D prescription plans, etc.

Benefit specialists also assist consumers with problems related to private insurance, financial abuse and Medicare fraud.

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How Can Consumers Learn About the Long-Term Care Options in Wisconsin?

The ADRC is under contract with the state of Wisconsin.

A strong culture of customer service is expected.

There is no charge for the services of the ADRC.

Families can make contact by telephone from anywhere in the country, or on-line using an internet search engine to locate information on "Wisconsin ADRCs".



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How Can Consumers Learn About the Long-Term Care Options in Wisconsin?

For a listing of ADRCs, go to the DHFS website:

www.dhfs.wisconsin.gov

All counties are slated to have Aging and Disability Resource Centers by 2011.

Refer your clients to their local ADRC (or aging office) when they have questions about long-term care, aging, or disability.

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How Can Consumers Learn About the Long-Term Care Options in WI? **RECAP**

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How Can Consumers Learn About the Long-Term Care Options in WI? **RECAP**

The information provided about WI's long-term care options in this training document is at a relatively high level.

Much more detailed information is available to consumers and their families through WI's Aging and Disability Resource Centers (ADRCs).

Long-term care insurers should understand the role of ADRCs and be able to refer their clients to ADRCs as appropriate.

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QUICK QUIZ

True or False

ADRCs are "one-stop" sources of information and advice about long-term care, aging and disability in Wisconsin, and specifically in that county. **True or False**

There is no charge for the services of the ADRC. **True or False**

The staff of the ADRC will arrange appointments at the office or in the home, to answer questions and to help with eligibility and enrollment into WI Family Care or regular WI Medicaid. **True or False**

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QUICK QUIZ

True or False

ADRCs are "one-stop" sources of information and advice about long-term care, aging and disability in Wisconsin, and specifically in that county. **True**

There is no charge for the services of the ADRC. **True**

The staff of the ADRC will arrange appointments at the office or in the home, to answer questions and to help with eligibility and enrollment into WI Family Care or regular WI Medicaid. **True**

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**Wisconsin Long-Term Care Insurance Partnership Program
WI Medicaid Training**



PART II
WI Medicaid Eligibility


The information contained in this training material is current as of June 2, 2008.

Contents

- General Eligibility Requirements for WI Medicaid**
- Detailed Eligibility Requirements for WI Medicaid Payment of Long-Term Care**
- WI Estate Recovery**
- How Asset Protection Works under the WI LTCIP Program**
- How to Apply for WI Medicaid**

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Why is it important for you to know about WI Medicaid?



It is important For You to Know About WI Medicaid Because...

Wisconsin statute intends that you gain a thorough understanding of the relationship between the qualified WI LTCIP policies that you market and the WI Medicaid program. [s. 49.45 (31) (c)]

This relationship is grounded in WI Medicaid eligibility and estate recovery policy.

You need this understanding to fulfill your obligation to explain to consumers the protections offered by qualified WI LTCIP policies.

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WI Medicaid Eligibility

General Eligibility Requirements for WI Medicaid

To be eligible for WI Medicaid:

A person must meet both non-financial and financial requirements.

A person must fit into a general eligibility group and meet specific requirements relating to residency, citizenship, immigration status, third party liability, income and assets.

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General Eligibility Requirements for WI Medicaid

General WI Medicaid eligibility groups include the following:

- People age 65 or older
- People who are blind
- People with a certified disability

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General Eligibility Requirements for WI Medicaid

A person must be a Wisconsin resident to be eligible for WI Medicaid. S/he must:

- Be physically present in Wisconsin (there is no required length of time the person has to have been physically present), and
- Express intent to reside in Wisconsin.

Federal Citizenship and Immigration Status rules require a person to be either a U.S. citizen or a non-citizen with a qualified immigration status.


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General Eligibility Requirements for WI Medicaid

WI Medicaid Third Party Liability rules state:

People must provide information about possible payment sources, such as other health insurance, Medicare or another liable third party (such as a qualified WILTCIP policy).

Other payment source pays their portion of medical expenses before WI Medicaid payments are made.



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General Eligibility Requirements for WI Medicaid RECAP

General Eligibility Requirements for WI Medicaid RECAP

WI Medicaid eligibility policy is complicated, but it can be viewed as having two distinct components: financial and non-financial requirements.

Together, WI Medicaid's financial and non-financial requirements dictate whether a person will qualify to receive the WI Medicaid benefit.

WI Medicaid's financial requirements relate to the maximum amount of income and assets a person may have and still be found eligible for the program.

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General Eligibility Requirements for WI Medicaid RECAP

Non-financial requirements relate to things such as the person's age, disability status, living arrangement, residency, citizenship, etc. Understanding this general framework will allow long-term care insurers to better grasp key details associated with WI Medicaid eligibility policy and its relationship to the WILTCIP program.

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QUICK QUIZ

True or False

The WI Medicaid program is governed by both state and federal laws. **True or False**

- The general WI Medicaid eligibility groups most likely to benefit from long-term care insurance partnership policies include elderly, blind, and disabled persons. **True or False**
- Persons must have resided in Wisconsin for a minimum of six months before they can meet the WI Medicaid program's residency requirement. **True or False**

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QUICK QUIZ

True or False

The WI Medicaid program is governed by both state and federal laws. **True**

The general WI Medicaid eligibility groups most likely to benefit from long-term care insurance partnership policies include elderly, blind, and disabled persons. **True**

Persons must have resided in Wisconsin for a minimum of six months before they can meet the WI Medicaid program's residency requirement. **True or False**

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care

The Basics:

The next slides focus on the financial basics, establishing the groundwork necessary to grasp the asset protection provisions of the WI LTCIP program.

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graph TD
    A[Meet Functional Requirements?] -- Yes --> B[Meet Non-Financial Requirements?]
    B -- Yes --> C[Meet Financial Requirements?]
    C -- Yes --> D[Eligible for WI Medicaid]
            
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The Long-Term Care subprograms of WI Medicaid generally have functional eligibility requirements. If a person meets these functional requirements (such as citizenship, WI residency, age, etc.) will be tested. If a person is non-financially eligible...

Financial factors (assets, income, cost share) will be tested. Persons who are functionally, non-financially, and financially eligible...

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care

Key Points:

The relationship between the WI LTCIP program and WI Medicaid is grounded in WI Medicaid financial eligibility requirements and, ultimately, in WI Estate Recovery policy. Therefore, some background information on both WI Medicaid financial eligibility and estate recovery is necessary.

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care

To receive comprehensive long-term care benefits through WI Medicaid, the person must:

- meet the program's functional requirements
- meet the program's non-financial requirements
- meet the program's financial requirements
- contribute toward cost of care

The WI LTCIP program directly affects WI Medicaid financial requirements (i.e., the income test, the asset test and the cost share calculation).

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Income Test

When looking at WI Medicaid eligibility for payment of long-term care services, only the income of the elderly or disabled applicant is counted in determining his or her budget. The income of that person's spouse or parent is not counted.

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Income Test

An applicant's gross monthly income, minus certain "credits" is compared to the income limit associated with the program for which the person is applying. Under certain circumstances, the premium associated with the qualified WI LTCIP policy could be one of the "credits" deducted from gross income to help the person qualify for WI Medicaid payment of long-term care.

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Income Test

If the person qualifies on the basis of his/her income, a separate calculation is performed to determine the amount the individual must contribute toward the cost of his or her long-term care services each month.

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Cost Share

The cost share calculation starts with the applicant's gross monthly income and subtracts various deductions or credits. Each possible deduction is not allowed for each person.



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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Cost Share

General deductions include:

- Medicare premiums and health insurance premiums not paid by Medicaid (**this includes WI LTCIP policy premiums**)
- An income allocation to a spouse who is living in the community, if it is determined that the spouse has a financial need

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Cost Share

General deductions include:

- An income allocation to certain other family members (subject to specific limitations)
- Personal needs (an amount which changes annually)
- Health care expenses not paid by WI Medicaid or a third party

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Cost Share

After allowing applicable income deductions, the result is the amount a person must contribute toward the cost of his or her services monthly. It is typically paid to the WI Family Care (or WI Family Care Partnership) managed care organization, or the medical care facility (for Institutional Medicaid).

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Asset Limit:
 The asset limit for a person applying for WI Medicaid payment of LTC services is \$2,000. If the person applying has a spouse living in the community, the spouse will be able to keep assets substantially above the \$2,000 limit without affecting the applicant's eligibility. This policy is often referred to as "Spousal Impoverishment Protection".

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Countable Assets:
 Countable assets are those which are available to the person and are not specifically excluded by the WI Medicaid program.
 Not all assets are countable.

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Countable Assets include:

cash	bonds
checking accounts	non-homestead real property
savings accounts	property agreements like contracts-for-deed
certificates of deposit	other liquid assets
life insurance policies	
stocks	

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Excluded Assets include:

homestead property in which the person or spouse or certain other family members live	one vehicle
some trusts	some federal payments
certain funds set aside for burial expenses	household goods
	personal items (such as clothing and jewelry)

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

The county agency will review all verified assets and determine the amount:

- Counted toward WI Medicaid eligibility
- Excluded and not counted toward WI Medicaid eligibility (**including the amount of verified benefits paid out by a qualified WLTCIP policy**)
- Determined to be protected for the community spouse, if married

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Spousal Impoverishment Asset Protections:

WI Medicaid provides special financial protection to allow the spouse and dependent children of the applicant for LTC Services to retain both assets and income that are above regular WI Medicaid financial limits.



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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Spousal Impoverishment Asset Protections:

For long-term care cases where one spouse is still living in the community, special asset protection provisions apply at application.

An Asset Assessment is conducted by the county agency to establish the asset limit/test that the person will have to pass when applying for WI Medicaid.

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Spousal Impoverishment Asset Protections:

Asset Assessment:

Person is required to provide documentation of assets that s/he owned with his/her spouse on the date of first continuous period of institutionalization for 30 days or more **OR** the date of initial request for WI Family Care (including WI Family Care Partnership), whichever occurs earlier.


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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Spousal Impoverishment Asset Protections:

CSAS

Based on the documentation provided, the county agency will determine the total assets of the couple and the community spouse asset share (CSAS).



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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Spousal Impoverishment Asset Protections:

CSAS:

The CSAS is the amount of countable assets above \$2000 that the community spouse, the applicant, or both can have at the time of application and still be found eligible for WI Medicaid. CSAS is based on policy (explained later). The long-term care applicant must transfer his/her assets to the community spouse by the next regularly scheduled review (12 months).

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Spousal Impoverishment Asset Protections:

CSAS:

If a person's assets are above \$2,000 on the date of the next scheduled WI Medicaid review, s/he will be determined ineligible and will remain ineligible until his/her assets no longer exceed the \$2000 WI Medicaid asset limit.

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Spousal Impoverishment Asset Protections:
CSAS:
 Once the applicant is enrolled in a long-term care WI Medicaid program, the assets of the community spouse are considered unavailable to the enrollee for the purpose of his/her WI Medicaid eligibility.

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Spousal Impoverishment Asset Protections:
CSAS and Excess Assets:
 The amount of assets above the asset limit can be reduced to allowable limits if they are used to pay for:

- nursing home or home care costs
- other costs such as home repairs or improvements, vehicle repair or replacement, clothing or other household expenses

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Spousal Impoverishment Asset Protections:
CSAS:
 The asset limit for the long-term care WI Medicaid applicant is \$2,000 plus the CSAS:

If the total countable assets of the couple are \$208,800 or more, then the CSAS is \$104,400. The WI Medicaid asset limit is \$106,400, that is, CSAS plus \$2,000.

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Spousal Impoverishment Asset Protections:
CSAS:
 The asset limit for the long-term care WI Medicaid applicant is \$2,000 plus the CSAS:

If the total countable assets of the couple are less than \$208,800 but greater than \$100,000, then the CSAS is ½ of the total countable assets and the WI Medicaid asset limit is ½ of the countable assets plus \$2000.

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Spousal Impoverishment Asset Protections:
CSAS:
 The asset limit for the long-term care WI Medicaid applicant is \$2,000 plus the CSAS:

If the total countable assets of the couple are \$100,000 or less, then the CSAS is \$50,000 and the WI Medicaid asset limit is \$52,000.

**The above amounts are based on federal guidelines which change each year.

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Spousal Impoverishment Asset Protections Example
 Robert was first institutionalized September 2003. Lucinda, Robert's wife, remained in the community. The couple passed the joint asset test and Robert was determined eligible in September 2003. The couple had total combined assets of \$42,000, \$32,000 of which was owned solely by Robert.

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Spousal Impoverishment Asset Protections Example

Robert had until the next scheduled review (September 2004) to get his total assets under the \$2000 WI Medicaid asset limit. By September 2004 Robert had only transferred \$23,000 to Lucinda.

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Spousal Impoverishment Asset Protections Example

Robert still had \$9,000 in assets. Robert became ineligible October 2004, and will remain ineligible as long as his assets remain over \$2000.

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Divestment

Divestment is giving away resources, such as income, non-exempt assets and property for less than fair market value to become eligible for WI Medicaid.


Fair market value is an estimate of the price for which an asset could have been sold on the open market at the time it was given away.

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Divestment

Divestment is also an action taken by a person to avoid receiving income or assets to which the person is entitled.



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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Divestment

Divesting financial resources within 60 months of the application for WI Medicaid, or institutionalization, may result in a divestment penalty period.

WI Medicaid will not pay for long-term care benefits through WI Family Care, WI Family Care Partnership, or Institutional Medicaid during a divestment penalty period.

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care
Financial Requirements: Asset Test

Divestment

The divestment penalty period begins with the month in which the divestment occurred.

The amount divested is divided by the average monthly private pay nursing home cost to arrive at the number of months of the divestment penalty period.

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Eligibility Requirements for WI Medicaid Payment of Long-Term Care **RECAP**

Eligibility Requirements for WI Medicaid Payment of Long-Term Care **RECAP**

Institutional Medicaid, the WI Medicaid Home- and Community-Based Waiver programs (which are being replaced by...), WI Family Care, and WI Family Care Partnership comprise four ways that WI Medicaid delivers long-term care to eligible persons.

WI LTCIP program participants are most likely to access WI Medicaid long-term care services through one of these programs.

Eligibility Requirements for WI Medicaid Payment of Long-Term Care **RECAP**

Each of these programs:

- Serves individuals requiring a nursing home level of care
- Applies an income limit that is significantly higher than the limits associated with other kinds of WI Medicaid
- Requires the eligible person to contribute toward the cost of his/her long-term care, based on his/her income
- Offers significant asset protections for the community spouse
- Includes penalties for those who dispose of assets for less than fair market value

QUICK QUIZ

True or False

- When WI Medicaid pays for long-term care services, it is generally accomplished through one of the following WI long-term care WI Medicaid programs: Institutional Medicaid, Home- and Community-Based Waiver Medicaid, WI Family Care, or WI Family Care Partnership. **True or False**

The asset limit for persons applying for WI Medicaid long-term care benefits is \$2000, irrespective of whether or not the person has a spouse living in the community. **True or False**

WI Medicaid will not pay for long-term care, but will pay for acute and primary care during a divestment penalty period. **True or False**

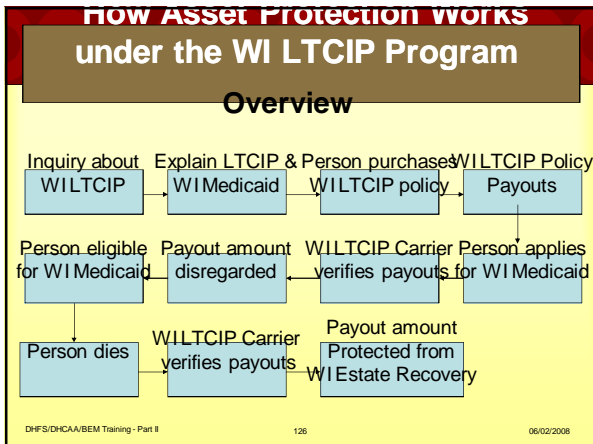
QUICK QUIZ

True or False

When WI Medicaid pays for long-term care services, it is generally accomplished through one of the following WI long-term care WI Medicaid programs: Institutional Medicaid, Home- and Community-Based Waiver Medicaid, WI Family Care, or WI Family Care Partnership. **True**

The asset limit for persons applying for WI Medicaid long-term care benefits is \$2000, irrespective of whether or not the person has a spouse living in the community. **True or False**


WI Medicaid will not pay for long-term care, but will pay for acute and primary care during a divestment penalty period. **True or False**



HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

A WI LTCIP program participant receives the following benefits during his or her lifetime:

Assets may be disregarded up to the total amount of long-term care services paid by the qualified WI LTCIP policy. The disregarded amount is not counted toward the WI Medicaid asset limit.



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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

A WI LTCIP program participant receives the following benefits during his or her lifetime:

The amount paid out under a qualified WI LTCIP policy must be verified before it can be disregarded for Medicaid eligibility (or estate recovery) purposes.

Adequate verification consists of documentation from the qualified WI LTCIP policy carrier specifying the amount paid in benefits as of the date of the documentation (on carrier letterhead, signed by a carrier representative).

The carrier must provide adequate verification to the client, the client's representative, or the county agency, or DHFS upon request.

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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

After the WI LTCIP program participant is deceased:

The maximum amount that can be protected from estate recovery under the WI LTCIP program is the verified amount of benefits paid out by the qualified WI LTCIP policy.

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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

After the WI LTCIP program participant is deceased:


When the amount of assets disregarded during the person's lifetime due to verified payouts under a qualified WI LTCIP policy is less than total benefits paid by the qualified WI LTCIP policy, additional assets may be protected in the estate recovery process - up to the verified total amount paid by the qualified WI LTCIP policy.

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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

Following are some examples that depict the interaction between the following programs:

- WI LTCIP program,
- WI Medicaid
- WI Estate Recovery



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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

WI LTCIP Asset Protection for WI Medicaid Eligibility

Example 1: "WI LTCIP Policy Benefits Not Exhausted"

Ruth is a resident of a medical care facility. She has no spouse. Her qualified \$90,000 LTCIP policy has been paying for her care. When Ruth applies for WI Medicaid payment of long-term care services, she verifies that her qualified WI LTCIP policy has paid out \$80,000 in policy benefits.

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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

WI LTCIP Asset Protection for WI Medicaid Eligibility

Example 1: "WILTCIP Policy Benefits Not Exhausted"

Ruth owns the following countable assets:

- \$5,000 savings account
- \$6,000 checking account
- \$70,000 equity value in recreational lakeshore property

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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

WI LTCIP Asset Protection for WI Medicaid Eligibility

Example 1: "WILTCIP Policy Benefits Not Exhausted"

The worker determines that Ruth's total countable assets equal \$81,000 (\$5,000 + \$6,000 + \$70,000). Her WI Medicaid asset limit is \$2,000; however, because \$80,000 has been paid out by Ruth's qualified WI LTCIP policy, an additional \$80,000 in countable assets may be disregarded.

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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

WI LTCIP Asset Protection for WI Medicaid Eligibility

Example 1: "WILTCIP Policy Benefits Not Exhausted"

In essence then, Ruth's WI Medicaid asset limit is \$82,000. Ruth passes the asset test for WI Medicaid because, at \$81,000, the value of her countable assets totals less than her asset limit. (Of course, Ruth's income would still need to be tested.)

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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

WI LTCIP Asset Protection for WI Medicaid Eligibility

Example 1: "WILTCIP Policy Benefits Not Exhausted"

If Ruth were to pass away the next day, \$80,000 of her assets would be protected from estate recovery. The \$2,000 basic asset allowance/limit does NOT apply after death and the \$2,000 is subject to recovery.

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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

WI LTCIP Asset Protection for WI Medicaid Eligibility

Example 2: "WILTCIP Policy Benefits Exhausted"

A year later, Ruth's eligibility for WI Medicaid is reviewed. At that time, she verifies that she has exhausted her qualified LTCIP policy benefit, which has paid out the full \$90,000.

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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

WI LTCIP Asset Protection for WI Medicaid Eligibility

Example 2: "WILTCIP Policy Benefits Exhausted"

Ruth owns the following countable assets:

- \$4,000 savings account
- \$7,000 checking account
- \$80,000 equity value in recreational lakeshore property

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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

WI LTCIP Asset Protection for WI Medicaid Eligibility

Example 2: "WILTCIP Policy Benefits Exhausted"

The worker determines that Ruth's total countable assets equal \$91,000 (\$4,000 + \$7,000 + \$80,000). Her WI Medicaid asset limit is \$2,000; however, because \$90,000 has been paid out by Ruth's qualified LTCIP policy, an additional \$90,000 in countable assets may be disregarded.

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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

WI LTCIP Asset Protection for WI Medicaid Eligibility

Example 2: "WILTCIP Policy Benefits Exhausted"

In essence then, Ruth's WI Medicaid asset limit is \$92,000. Ruth continues to qualify for WI Medicaid because, at \$91,000, the value of her countable assets totals less than her asset limit.

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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

WI LTCIP Asset Protection for WI Medicaid Eligibility

Example 2: "WILTCIP Policy Benefits Exhausted"

If Ruth were to pass away the next day, \$90,000 of her assets would be protected from estate recovery. The \$2,000 basic asset allowance/limit does not apply after death and is subject to recovery.

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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

WI LTCIP Asset Protection for WI Medicaid Eligibility

Example 3: "WILTCIP and Spousal Impoverishment Protections"

Ruth is applying for WI Family Care benefits. She and her spouse reside in their home and have \$100,000 in countable assets. Her qualified \$80,000 LTCIP policy has been paying for long-term care she has received in her home and is now exhausted. When Ruth applies for WI Family Care payment of long-term care services, she verifies that her LTCIP policy has paid out \$80,000 in benefits.

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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

WI LTCIP Asset Protection for WI Medicaid Eligibility

Example 3: "WILTCIP and Spousal Impoverishment Protections"

Because Ruth is living with her husband, Spousal Impoverishment Protections apply. Under Spousal Impoverishment policy, Ruth's WI Medicaid asset limit is \$52,000 (i.e., CSAS plus \$2000...see earlier slides). However, \$80,000 is added to this to reflect the amount of benefits paid by her qualified LTCIP policy. Therefore, when Ruth applies for WI Family Care, her asset limit is \$132,000.

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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

WI LTCIP Asset Protection for WI Medicaid Eligibility

Example 3: "WILTCIP and Spousal Impoverishment Protections"

Within one year of applying, Ruth must transfer her assets to her spouse sufficient to allow her to qualify at an asset limit of \$82,000 (i.e., the LTCIP policy pay out amount plus the regular WI Medicaid asset limit of \$2000).

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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

WI LTCIP Asset Protection for Estate Recovery

Example 4:

Ruth is a WI Medicaid eligible resident of a medical care facility. Her qualified \$90,000 LTCIP policy has been paying for her care. As of her last WI Medicaid review, the policy had paid out \$70,000, an amount disregarded in determining her continued WI Medicaid eligibility.

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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

WI LTCIP Asset Protection for Estate Recovery

Example 4:

Ten months after her last WI Medicaid review, Ruth dies. Ruth's representatives verify that, during those ten months, her qualified LTCIP policy paid out an additional \$10,000 toward her long-term care.

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HOW ASSET PROTECTION WORKS
under the WI LTCIP Program

WI LTCIP Asset Protection for Estate Recovery

Example 4:

Ruth's estate can protect a total of \$80,000 (i.e., the total amount paid out by the qualified policy) from estate recovery.

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How Asset Protection Works
under the WI LTCIP Program
RECAP

How Asset Protection Works under the WI LTCIP Program RECAP

When determining WI Medicaid eligibility, assets may be disregarded in an amount equal to the verified total amount of long-term care services paid by the qualified WI LTCIP policy. These disregarded assets are not counted toward the WI Medicaid asset limit. Assets may be protected from estate recovery in an amount equal to the verified total amount of long-term care services paid by the qualified WI LTCIP policy.

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How Asset Protection Works under the WI LTCIP Program RECAP

At the request of the WI Medicaid recipient or their representative, the WI LTCIP policy carrier must provide documentation which details date(s) and amount(s) paid in benefits by the policy. The WI Medicaid recipient or his/her representative must provide this documentation to the income maintenance agency worker or estate recovery staff to determine and verify the asset disregard/protection.

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QUICK QUIZ

True or False

1. Benefits from the qualified WILTCIP policy must be exhausted before the pay out amount can be disregarded for the purpose of WI Medicaid eligibility. **True or False**
 The WILTCIP policy carrier must provide the WI Medicaid applicant with documentation verifying the amount of benefits paid as of the date of the documentation. **True or False**
 The verified WILTCIP benefit pay out amount represents the maximum amount which can be disregarded when determining WI Medicaid eligibility, or protected for estate recovery purposes. **True or False**

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QUICK QUIZ

True or False

1. Benefits from the qualified WILTCIP policy must be exhausted before the pay out amount can be disregarded for the purpose of WI Medicaid eligibility. **True or False**
 The WILTCIP policy carrier must provide Medicaid applicant with documentation verifying the amount of benefits paid as of the date of the documentation. **True or False**
 The verified WILTCIP benefit pay out amount represents the maximum amount which can be disregarded when determining WI Medicaid eligibility, or protected for estate recovery purposes. **True**

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How to Apply for WI Medicaid Programs

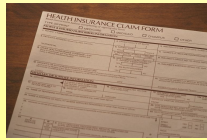
A person can apply for WI Medicaid in person, by mail, by telephone, or using a web-based internet application. Application forms and instructions are available on-line through the following link:

<http://dhfs.wisconsin.gov/medicaid1/applications.htm>

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How to Apply for WI Medicaid Programs

People who are age 65 or older, blind, or disabled should use form HCF 10101 to apply for WI Medicaid. Completed forms should be returned to the applicant's local county/tribal human or social services agency.



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How to Apply for WI Medicaid Programs

ACCESS is an online tool that allows people to apply for benefits, check the status of benefits, or report changes in circumstances to their worker. ACCESS is available online at:

www.access.wisconsin.gov

An online ACCESS application is the same as a paper application.

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How to Apply for Wisconsin Medicaid Programs RECAP

How to Apply for WI Medicaid Programs RECAP

Application forms and instructions are available on-line through the following link:
<http://dhfs.wisconsin.gov/medicaid1/applications.htm>

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**Wisconsin Long-Term Care Insurance Partnership Program
 WI Medicaid Training**



PART III
 WI Estate Recovery

DHFS/DHCAA/BEM Training - Part II 159 06/02/2008

The information contained in this training material is current as of June 2, 2008.

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WI Estate Recovery

For current information regarding the Wisconsin Estate Recovery, access the internet at:
<http://dhfs.wisconsin.gov/medicaid1/recpubs/erp/hc13032.htm>

DHFS/DHCAA/BEM Training - Part II 161 06/02/2008

Contents

- What is WI Estate Recovery?**
- What Services Does Wisconsin Recover?**
- When Does The State Not Recover Medicaid Benefits?**

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What is WI Estate Recovery?

Wisconsin Medicaid Estate Recovery seeks repayment for the cost of certain long term care services paid for by Medicaid on behalf of recipients.

Recovery is made from the estate of recipients and from liens placed on their homes.

The money recovered is returned to the WI Medicaid Program and used to pay for care for other WI Medicaid recipients.

What is WI Estate Recovery?

Note that Wisconsin, unlike some other states, does not recover for ALL services that are paid by WI Medicaid.

The amount Wisconsin can recover is limited to the amount paid by WI Medicaid for certain long-term care services.

What is WI Estate Recovery?

The amount of assets disregarded for WI Medicaid eligibility purposes due to verified payouts under a qualified WI LTCIP policy are protected from estate recovery except for the basic \$2,000 asset allowance/limit that all persons receive while they are alive.

This \$2,000 asset disregard may be subject to recovery when the person is no longer alive.

What is WI Estate Recovery?

The long-term care services for which the program seeks repayment mainly include nursing home services, community-based waiver services and certain other long-term care services received in the community by a person at least age 55 or older.

What is WI Estate Recovery?

With the new WI LTCIP qualifying policies, the amount of assets that are protected due to verified payouts are not subject to estate recovery.

What is WI Estate Recovery? RECAP

**Wisconsin Long-Term Care Insurance Partnership Program
WI Medicaid Training**



PART III

WI Estate Recovery

The information contained in this training material is current as of June 2, 2008.

WI Estate Recovery

For current information regarding the Wisconsin Estate Recovery, access the internet at:
<http://dhfs.wisconsin.gov/medicaid1/recpubs/erp/p hc13032.htm>

Contents

- What is WI Estate Recovery?**
- What Services Does Wisconsin Recover?**
- When Does The State Not Recover Medicaid Benefits?**

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What is WI Estate Recovery?

Wisconsin Medicaid Estate Recovery seeks repayment for the cost of certain long term care services paid for by Medicaid on behalf of recipients.

Recovery is made from the estate of recipients and from liens placed on their homes.

The money recovered is returned to the WI Medicaid Program and used to pay for care for other WI Medicaid recipients.

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What is WI Estate Recovery?

Note that Wisconsin, unlike some other states, does not recover for ALL services that are paid by WI Medicaid.

The amount Wisconsin can recover is limited to the amount paid by WI Medicaid for certain long-term care services.

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What is WI Estate Recovery?

The amount of assets disregarded for WI Medicaid eligibility purposes due to verified payouts under a qualified WI LTCIP policy are protected from estate recovery except for the basic \$2,000 asset allowance/limit that all persons receive while they are alive.

This \$2,000 asset disregard may be subject to recovery when the person is no longer alive.

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What is WI Estate Recovery?

The long-term care services for which the program seeks repayment mainly include nursing home services, community-based waiver services and certain other long-term care services received in the community by a person at least age 55 or older.

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What is WI Estate Recovery?

With the new WI LTCIP qualifying policies, the amount of assets that are protected due to verified payouts are not subject to estate recovery.

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What is WI Estate Recovery? RECAP

What is WI Estate Recovery? RECAP

The Wisconsin Medicaid Estate Recovery Program seeks repayment for the cost of certain long term care services paid for by Medicaid on behalf of recipients. Recovery is made from the estates of recipients and from liens placed on their homes.

The money recovered is returned to the WI Medicaid Program and used to pay for care for other WI Medicaid recipients.

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What is WI Estate Recovery? RECAP

The amount of assets that are protected due to verified payouts from a qualified WI LTCIP policy are also protected from estate recovery.

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What Services Does Wisconsin Recover?

As noted previously, Wisconsin does not recover for all services provided to a WI Medicaid recipient.



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What Services Does Wisconsin Recover?

Wisconsin recovers all the costs for a recipient (of any age) for the period of time in a nursing home or inpatient (more than 30 days) in a hospital, as long as the recipient was considered permanently institutionalized. Wisconsin also recovers all costs from any nursing home for a recipient over the age of 55, even if it was a short-term stay in a nursing home.

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What Services Does Wisconsin Recover?

Wisconsin seeks to recover services that are generally thought of as “long-term care services” for anyone age 55 and older, living in the community.




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What Services Does Wisconsin Recover?

Services that a recipient age 55 and older may receive in the community, subject to recovery, include the following:

- Skilled nursing services
- Home health aide services
- Home health therapy and speech pathology services
- Private duty nursing services
- Personal care services



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What Services Does Wisconsin Recover?

Wisconsin also seeks to recover benefits paid for any recipient age 55 and older in a WI Medicaid Waiver program, including but not limited to WI Family Care, WI Family Care Partnership, Community Options Waiver, Community Integration Programs IA, IB, and II, Brain Injury Waiver and Community Supported Living Arrangements.

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What Services Does Wisconsin Recover?

The benefits recovered for a Medicaid Waiver recipient age 55 and older are:

- All services received through the home and community-based Waiver program (i.e., WI Family Care and WI Family Care Partnership).
- All inpatient hospital services and all prescription drugs received while the recipient was eligible for a Waiver program.

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What Services Does Wisconsin Recover?

An individual who receives all or a combination of the services listed previously may have the amount paid by WI Medicaid for those services recovered from his or her estate, or through a lien while the recipient is alive - except for an amount equal to the verified payouts under a qualified WI LTCIP policy.

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What Services Does Wisconsin Recover?

Example 1:

Ruth was in the WI Family Care Program. She received services through Family Care that were not eligible for payment by her qualified WI LTCIP policy (worth \$100,000). She passed away and WI Family Care had paid out \$50,000 in services over the course of three years. WI Estate recovery would file a claim against her estate which includes her home valued at over \$100,000.

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What Services Does Wisconsin Recover?

Example 1:

When the home in her estate sells, the state would collect on its \$50,000 claim, assuming sufficient funds were available to first pay other priority claims. She was not able to protect any assets as the qualified WI LTCIP policy did not pay out any benefits to protect her assets.

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What Services Does Wisconsin Recover?

Example 2:

Millie was also in the WI Family Care Program. At the time she applied for WI Family Care, \$25,000 had been paid out in benefits by her qualifying WI LTCIP program policy; hence \$25,000 of her countable assets were disregarded. She owned her own home worth \$150,000. Because she lived in her home, the home remained an exempt asset for purposes of eligibility.

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What Services Does Wisconsin Recover?

Example 2:

At the time of Millie's death, \$60,000 had been paid out by the WI LTCIP program policy, however, WI Family Care had paid out \$90,000 in WI Medicaid benefits. WI Estate recovery would file a claim in her estate for \$90,000, however, \$60,000 would be protected from recovery. Annie had a qualified WI LTCIP policy worth \$200,000.

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What Services Does Wisconsin Recover?

Example 3:

Annie had a qualified WI LTCIP policy worth \$200,000. She had cash assets of \$50,000 and a home valued at \$150,000 that she lived in. She received \$50,000 in benefits from her qualified WI LTCIP policy and then applied for WI Medicaid in a Home-and-Community Based Waiver program. Her qualified WI LTCIP policy had verified payouts of \$50,000 at the time of her initial eligibility determination for the Waiver program.

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What Services Does Wisconsin Recover?

Example 3:

The policy continued to pay benefits while she lived in the community and then she moved into the nursing home. While she was in the nursing home, the qualified policy had verified pay-outs to the maximum benefits - \$200,000; hence the verified \$200,000 would be exempted at the time of recovery from her estate.

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What Services Does Wisconsin Recover? RECAP

What Services Does Wisconsin Recover? RECAP

WI Medicaid recipients who are any of the following may be subject to WI estate recovery provisions:

- nursing home residents
- institutionalized persons who received inpatient hospital benefits
- persons age 55 and older who reside in the community

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QUICK QUIZ

True or False

1. Recovery is made from the estates of recipients and from liens placed on their homes. The money recovered is returned to the WI Medicaid Program and used to pay for care for other WI Medicaid recipients. **True or False**
2. The amount recovered may not exceed the amount paid in WI Medicaid benefits. **True or False**
3. WI Estate recovery does not apply to persons under age 55 who live in the community (i.e., who do not reside in a medical facility). **True or False**

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QUICK QUIZ

True or False

1. Recovery is made from the estates of recipients and from liens placed on their homes. The money recovered is returned to the WI Medicaid Program and used to pay for care for other WI Medicaid recipients. **True**
2. The amount recovered may not exceed the amount paid in WI Medicaid benefits. **True**
3. WI Estate recovery does not apply to persons under age 55 who live in the community (i.e., who do not reside in a medical facility). **True**

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When Does the State NOT Recover Benefits?

The state may not seek recovery of any WI Medicaid benefits from a recipient's liquid estate assets while the recipient's spouse or a minor or disabled, or blind child survives the recipient, regardless of any qualified WILTCIP policy. However, if the recipient's estate includes a home, the state will receive a lien for the amount that exceeds the verified payouts under a qualified WILTCIP policy.

Repayment from the lien will be delayed until after the death of the surviving spouse and any minor, disabled, or blind children.

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When Does the State Not Recover Benefits?

If the state is granted a lien as noted above, through the estate on the home of a surviving spouse, minor, disabled or blind child of a WI Medicaid recipient and if that property is sold for fair market value while the spouse, minor, disabled or blind child lives, the state will release its lien and no recovery will be made, regardless of the existence of a qualified WI LTCIP policy.

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When Does the State Not Recover Benefits?

The state may not file a claim on the estate of the surviving spouse to recover WI Medicaid benefits paid on behalf of the pre-deceased recipient.



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When Does the State Not Recover Benefits?

If a qualified policy has paid out verified benefits in an amount that is equal to or more than the remaining assets of a deceased WI Medicaid recipient, then the state can make no recovery as the assets are protected because of the WI LTCIP policy.

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When Does the State Not Recover Benefits?

Example 4:

Maynard lived in a nursing home. His wife, Millie, continues to live in their jointly owned home. At the time he applied for WI Medicaid, he had only \$2,000 in cash which was exempted for eligibility purposes. Within one year of becoming eligible for MA, their home was transferred solely to Millie. Maynard had a WI LTCIP qualifying policy worth \$100,000 that paid most of the cost of the nursing home until it was exhausted.

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When Does the State Not Recover Benefits?

Example 4:

Then, WI Medicaid paid for his nursing home care for the next two years until he passed away (WI Medicaid paid \$150,000). The state would file a claim against his estate assets (which are minimal) for \$150,000, however, because there is no home in his estate and only liquid assets, the state would make no recovery because **Millie is a surviving spouse**.

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When Does the State Not Recover Benefits?

RECAP

When Does the State NOT Recover Benefits? RECAP

The state may not seek recovery of any WI Medicaid benefits from a recipient's estate while the recipient's spouse or a minor, disabled, or blind child survives the recipient.

The state may not file a claim on the estate of the surviving spouse to recover WI Medicaid benefits paid on behalf of the recipient.



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When Does the State NOT Recover Benefits? RECAP

The verified amount of benefits paid by the qualified WI LTCIP policy are protected from estate recovery. The WI LTCIP policy carrier must provide documentation which specifies the amount paid in benefits as of the date of the documentation.

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QUICK QUIZ

True or False

1. The WI Estate Recovery Program uses two methods, claims in probate estates and liens, to recover the cost of WI Medicaid benefits. **True or False**
2. The state may seek recovery of any WI Medicaid benefits from a recipient's estate while the recipient's spouse or a minor, disabled, or blind child survives the recipient. **True or False**
3. The state may not file a claim on the estate of the surviving spouse to recover WI Medicaid benefits paid on behalf of the recipient. **True or False**

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QUICK QUIZ

True or False

1. The WI Estate Recovery Program uses two methods, claims in probate estates and liens, to recover the cost of WI Medicaid benefits. **True**
- The state may seek recovery of any WI Medicaid benefits from a recipient's estate while the recipient's spouse or a minor, disabled, or blind child survives the recipient. **True or False**
3. The state may not file a claim on the estate of the surviving spouse to recover WI Medicaid benefits paid on behalf of the recipient. **True or False**

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The information contained in this training material is current as of June 2, 2008.