ADMINISTRATIVE DIRECTIVE	**TRANSMITTAL:** 99 OMM/ADM-2

TO: Commissioners of
Social Services

**Office of Medicaid Management
Department of Health**

DATE: May 3, 1999

SUBJECT: Transfer of Resources: Changes in the Medicaid Regional
Rates for 1998

**SUGGESTED
DISTRIBUTION:**

Medicaid Staff
Adult Services Staff
Fair Hearing Staff
Legal Staff
Staff Development Coordinators

**CONTACT
PERSON:**

Upstate Medicaid Regional Representative at
(518) 474-9130
New York City Representative at (212) 613-4330

ATTACHMENTS:

Attachment   -   County Listing by Region (available
on-line)

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
96 ADM-17 96 ADM-8 95 ADM-17 95 ADM-6 91 ADM-37 89 ADM-45		360-4.4(c)	SSL 366 SSA 1917(c) & (d)		GIS 98 MA/ 19 Section 13611 of OBRA'93

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I. **PURPOSE**

This Administrative Directive (ADM) notifies social services districts of the January 1, 1998 revisions to the Medicaid regional rates used to determine the period of limited coverage (penalty period) for persons determined to have made prohibited transfers of assets.

II. **BACKGROUND**

Chapter 170 of the Laws of 1994 amended Section 366.5 of the Social Services Law to set forth transfer of assets provisions required by the Omnibus Budget Reconciliation Act of 1993. When a person, or the person's spouse, makes a prohibited transfer (as explained in 96 ADM-8), the person may be ineligible for Medicaid coverage of certain services for a period of time.

The period of ineligibility is the number of months equal to the uncompensated value of the transferred assets divided by the Medicaid regional rate established for the region in which the person is institutionalized. The period is intended to approximate the length of stay in an institution which the transferred assets would have purchased.

The rates contained in 96 ADM-17 were effective in calendar years 1996-1997.

III. **PROGRAM IMPLICATIONS**

The revised Medicaid regional rates are used to calculate a penalty period for persons who have made prohibited transfers of assets and who apply for Medicaid on or after January 1, 1998.

The Medicaid regional rates effective January 1, 1998 are:

Region*	Monthly Rate
Central	$ 4,657
Long Island	$ 7,225
New York City	$ 7,077
Northeastern	$ 5,058
Northern Metropolitan	$ 6,339
Rochester	$ 5,113
Western	$ 4,842

*See the attachment for county listing by region.

IV. **REQUIRED ACTION**

As specified in 89 ADM-45, 91 ADM-37, and 96 ADM-8, a penalty period must be established when an institutionalized Medicaid-Only applicant/recipient (A/R), or the spouse of the A/R, has made a prohibited transfer of assets. The Medicaid regional rate used to determine the penalty period is the rate for the region in which the individual is institutionalized. Districts must use the rate in effect for the year in which the individual first applies as an institutionalized person.

Social services districts must use the January 1, 1998 Medicaid regional rates to establish the penalty period for any institutionalized person determined to have made a prohibited transfer of assets who has Medicaid eligibility first determined for the month of January, 1998 or later.

A. **RECALCULATING THE PENALTY PERIOD**

Districts must recalculate the penalty period for an institutionalized A/R who became Medicaid eligible on or after January 1, 1998, if the January 1, 1996 regional rates were used to calculate the penalty period.

Districts must review these cases as soon as possible, since a recipient's penalty period may change based on the new rates. When a penalty period has previously been calculated for a recipient who continues to reside in the community and who is not in receipt of home and community-based waivered services, no recalculation of the penalty period is required until the individual becomes in need of nursing facility services.

B. **NOTICE REQUIREMENTS**

Social services districts must provide notices to A/Rs whose Medicaid coverage is being limited due to a prohibited transfer of assets. The notices contained in 91 ADM-37, 95 ADM-17, and 96 ADM-8 must be used to meet this requirement.
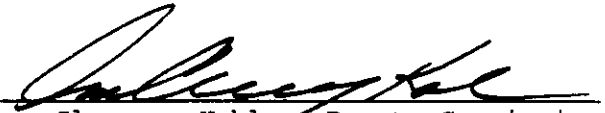
When a social services district recalculates a penalty period for a person in receipt of nursing facility services, who first applied for Medicaid as an institutionalized person on or after January 1, 1998, the district must advise the client of any change in the penalty period by using the Client Notice Subsystem (reason code S05) or by using form DSS-4528, "Notice of Change in Limited Coverage Period For An Institutionalized Person".

V. **SYSTEMS IMPLICATIONS**

None.

VI.   **EFFECTIVE DATE**

The changes in the regional penalty rates used for calculating penalty periods are effective April 1, 1999, retroactive to January 1, 1998.

Ann Clemency Kohler, Deputy Commissioner
Office of Medicaid Management

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ATTACHMENT

COUNTY LISTING BY REGION
RATES FOR 1998

CENTRAL (Syracuse)

$4,657

Broome
Cayuga
Chenango
Cortland
Herkimer
Jefferson
Lewis
Madison
Oneida
Onondaga
Oswego
St. Lawrence
Tioga
Tompkins

ROCHESTER

$5,113

Chemung
Livingston
Monroe
Ontario
Schuyler
Seneca
Steuben
Wayne
Yates

LONG ISLAND

$7,225

Nassau
Suffolk

NORTHEASTERN

$5,058

Albany
Clinton
Columbia
Delaware
Essex
Franklin
Fulton
Greene
Hamilton
Montgomery
Otsego
Rensselaer
Saratoga
Schenectady
Schoharie
Warren
Washington

NEW YORK CITY

$7,077

Bronx
Kings (Brooklyn)
NY (Manhattan)
Queens
Richmond (Staten Island)

NORTHERN METROPOLITAN

$6,339

Dutchess
Orange
Putnam
Rockland
Sullivan
Ulster
Westchester

WESTERN (Buffalo)

$4,842

Allegany
Cattaraugus
Chautauqua
Erie
Genesee
Niagara
Orleans
Wyoming

1.   Use the region in which the facility is located, or if the A/R is not institutionalized, use the region in which the individual resides.

2.   For out of state facilities, use the region closest to the location of the facility.