

## 2237.00.00 MEDICAID RESOURCE SUSPENSION (MED 1)

For Medicaid (MA) members residing in a nursing home or on HCBS waivers, if a change in circumstances causes temporary resource or asset ineligibility for MA, the member may be suspended for up to two months. This can only be done in situations where it is reasonably certain that the individual will again be resource eligible after the suspension period. If there is a specified plan to spend the excess to the allowable limit without violating the transfer of property law, a suspension may be appropriate. If the member is eligible before the end of the suspension period, eligibility is to be reinstated without a reapplication. If after the suspension period the recipient remains ineligible, Medicaid must be discontinued (timely notice is required.) It is the member's responsibility to verify how the resources/assets were spent and that they are under the resource limit for Medicaid. For more information on resource limits, see IHCPPM 3005.10.00 and 3005.25.00.

Note that change processing rules apply (see IHCPPM 2220.00.00 – 2220.20.00).

### Example1:

A long-term care member (nursing home or HCBS waiver) is over resources and get suspended. They verify within 60 days that they appropriately spent down the resources, then the MA can be reopened ongoing without a new application. If they verify within 60 days, then the worker will process the unsolicited documents, and the case will be reopened.

- 03/01 – The MA is suspended
- 04/30 – Verification is received that the member was under the resource limit as of 04/01 with verification that the funds were used to privately pay the nursing home
- Based on change processing rules and that the verification was received on 04/30, the MA can be reopened 05/01

### Example 2:

A long-term care member (nursing home or HCBS waiver) is over resources, they get suspended for up to 60 days.

- 03/01 – The MA is suspended
- 05/01 – Verifications were not received by the due date, so the MA is closed
- 05/05 – Verifications are received after the closure; the MA remains closed

### Example 3:

A long-term care member (nursing home or HCBS waiver) is over resources, they get suspended for up to 60 days. Prior to the suspension date, verification is received that the member is below the resource limit; no funds were given away or transferred.

- 02/14 – Suspension notice is sent with suspension beginning 03/01
- 02/21 – Verifications are received showing that the member is under the resource limit (no funds were given away or transferred)

03/05 – Worker pulls the task and sees that the verifications are in the ECF prior to the effective date; MA is reinstated effective 03/01

**Example 4:**

A suspended member fails to verify resources by the end of the 60-day suspension period, then the MA is closed. The notice is sent and gives appeal rights that if they appeal timely, benefits will continue without change. In this scenario, the correct action is to suspend, not reopen the benefits.

- 03/01 – The MA is suspended
- 05/01 – The MA is closed for failure to verify resources
- 05/15 – Appeal is filed, the member does not qualify for continued benefits but for suspended benefits

**Example 5:**

A suspended members Medicaid gets closed, but the unsolicited documents are in the ECF (within 60 days of suspension). The member was eligible in month 2 of the suspension period. The worker should fiat months in which the member was eligible (in this scenario, month 2 and open ongoing).

- 03/01 – The MA is suspended
- 03/30 – Verification is received that the member was under the resource limit as of 04/01 with verification that the funds were used to privately pay the nursing home
- 05/01 – The MA is closed
- 05/15 – The worker finds that the verification was received 03/30, the MA is reinstated as of 04/01

**Example 6:**

A suspended member submits bank statements showing they are under the resource limit, but it is unknown how the resources were spent down. A 2032 must be sent to verify how the funds were spent.

- 03/01 – The MA is suspended
- 03/30 – Verification is received that the member was under the resource limit as of 04/01, but there is no verification showing how the resources were spent down
- A 2032 is mailed requesting verification of how the funds were spent (due 04/13)
- 04/10 – Verification that the resources were spent to pay the nursing home charges (this is allowable) so the MA is reinstated as of 04/01

**Example 7:**

A suspended member submits bank statements showing they are under the resource limit, but it is unknown how the resources were spent down. A 2032 must be sent to verify how the funds were spent.

- 03/01 – The MA is suspended

- 03/30 – Verification is received that the member was under the resource limit as of 04/01, but there is no verification showing how the resources were spent down; the resources are updated in the eligibility system
- Worker updates the resource but adds a penalty to the TOP screen as unverified
- A 2032 is mailed requesting verification of how the funds were spent (due 04/13)
- 04/14:
  - No verifications were submitted, or
  - Verification that the funds were given away is received
- In both scenarios, the worker updates the transfer of property
- The MA is reinstated 04/01 with a transfer of property penalty