

Medi-Cal Program Guide Letter (MPG) # 685

October 2,
2009

Subject PROGRAM ALL INCLUSIVE CARE FOR THE ELDERLY (PACE)

Effective Date Upon Receipt

Reference ACWDL 97-18 and 98-31

Purpose The purpose of this letter is to inform staff that the "Spousal Impoverishment" rules for determining property eligibility and allocating income from an institutionalized spouse with a community spouse will now also be applicable in situations where one spouse is enrolled in the Program All Inclusive Care of the Elderly (PACE) and the other spouse is not and otherwise meets the definition of a community spouse.

Background PACE is a capitated benefit authorized by the Balanced Budget Act of 1997 (BBA) that features a comprehensive service delivery system and integrated Medicare and Medicaid financing. For most participants, the comprehensive service package permits them to continue living at home while receiving services rather than be institutionalized. The participants must be at least 55 years old, live in the PACE service area, and be certified as eligible for nursing home care by the appropriate State agency. At the time of enrollment, the applicant must be able to safely live in a community setting.

Required Action The PACE spouse is considered to be in his/her separate MBFU and permitted to transfer resources and income under the spousal impoverishment rules to his/her community spouse. The spousal impoverishment provisions are not applicable if the PACE spouse does not have a community spouse.

When a worker is contacted by St. Paul PACE of San Diego and notified that a applicant/beneficiary has been accepted into the PACE program the worker will complete a eligibility determination. The worker shall treat the applicant/beneficiary per the regular spousal

impoverishment rules where two cases shall be opened and the "Collect LTC detail window" is utilized to enter information.

The table below addresses certain living situations and the treatment of income and property in those living situations.

Treatment of Income; the PACE spouse living in the home and the other spouse is Institutionalized:	
	<ul style="list-style-type: none">• When the former community spouse who was previously living in the home of the PACE spouse becomes institutionalized, the PACE spouse no longer has a community spouse and the PACE spouse is no longer treated as if he/she were institutionalized. The PACE spouse that is institutionalized is in his/her separate MFBU.• The PACE spouse who is living in the home now becomes the community spouse.• The former community spouse, now residing in the nursing home or medical care facility, becomes the institutionalized spouse.• The spouse in the nursing home or medical care facility is subject to the spousal impoverishment income provisions and may allocate his/her income to the PACE spouse.• Allocations from the institutionalized spouse to the PACE spouse are income to the PACE spouse.• The PACE spouse, now the community spouse, cannot allocate to the institutional spouse.
Treatment of Property;	
	<ul style="list-style-type: none">• When the PACE participant's spouse becomes institutionalized, that spouse is defined as the institutionalized spouse as long as he/she is expected to remain in the medical institution or nursing facility for 30 consecutive days or more. The PACE spouse, since he/she is not actually institutionalized, under the regular spousal impoverishment rules, is defined as the community spouse since he/she remains at home and is married to an institutionalized spouse.• The PACE participant becomes institutionalized, he/she meets the definition of an institutionalized spouse under the regular spousal impoverishment rules, as long as he/she is expected to remain in the medical institutionalized or nursing facility for 30 consecutive days or more. The PACE participant's spouse remains the community spouse as long as he/she remains in the home.• The PACE participant lives at home with his/her spouse a wavier or demonstration project will allow the provision of spousal impoverishment rules when there is not an actual institutionalized spouse. The purposes of a wavier or

	demonstration project are to apply rules which are not applied in the regular Medi-Cal program. See (Article 5 Section 18).
	<p>Both Spouses want to be Medi-Cal eligible.</p> <ul style="list-style-type: none"> • When circumstances of the spouses change and one or both become institutionalized, if both spouses decide that they each want to receive Medi-Cal, then the spouses will remain in separate MFBUs. The spouse that retained the community spouse resource allowance (CSRA) will have to spend down his/her property to the \$2,000 property limit for one. <p>The couple wants eligibility for one spouse only.</p> <ul style="list-style-type: none"> • When the PACE participant's spouse who has become institutionalized and now meets the definition of an institutional spouse and wishes to discontinue eligibility for the PACE participant, under the regular spousal impoverishment rules, the worker shall count the nonexempt available property held in the name of either or both spouses and compare that against the CSRA plus the \$2,000 allowed for the institutionalized spouse. When the couple spends down their countable property to that amount, the worker shall establish initial eligibility and another CSRA transfer period shall begin. The couple has until the end of the month in which the 90th day occurs from the date of the notice of action granting initial eligibility, to transfer the CSRA into the name of the community spouse only. At the end of the CSRA transfer period the institutionalized spouse may have no more than \$2,000 worth of countable property in held in his/her name.

Automation Impact None

Forms Impact None

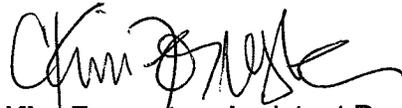
Quality Assurance Effective with the October review month, Quality Assurance will cite the appropriate error on any case that does not comply with the requirements outlines in this letter.

Summary of Change The table below shows the changes made in the MPG.

Section	Summary of Change
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Article 8 Section 4	Infomapped Added PACE program requirements to MPG
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**Manager
Approval**



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Strategic Planning and Operational Support Division

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