DEPARTMENT POLICY

MA Only

Unless the *special exception policy* in this item applies, an initial asset assessment is needed to determine how much of a couple's assets are protected for the community spouse. Do an initial asset assessment when one is requested by either spouse, even when an MA application is **not** made; see *definitions* and *initial asset assessment*.

FIP-Related MA Only

There is no asset test for Group 2 Pregnant Woman and MAGI categories.

It may be necessary to do an SSI-related MA determination in the future if such FIP-related MA eligibility ends. Therefore, initiate an initial asset assessment for an L/H or waiver client with a community spouse if one has not already been done. However, do **not** deny/terminate a Group 2 Pregnant Woman or MAGI MA category if the client chooses not to cooperate with the initial asset assessment. Also, do **not** delay authorizing MA while completing an initial asset assessment; see *definitions* and *initial asset assessment*.

SSI-Related MA Only

Use this item to determine asset eligibility for the first period of continuous care (see *definitions* in this item) that began on or after 9-30-89 when an L/H, PACE, or waiver client:

- Has a community spouse (see below), **and**
- A presumed asset eligible period has **not** yet been established, **or**
- If established, the presumed asset eligible period has **not** ended; see *presumed asset eligible perio*d in this item.

Use BEM 400 to determine asset eligibility for clients who do **not** meet the above conditions; see EXHIBIT II.

Example: Mary entered LTC on 5-3-03 and applied on 5-5-03. Frank, her spouse, stated he had been in the hospital for more than 30 days back in June and July 2001, but Mary has not been in a

hospital or LTC for 30 days or more. The initial asset assessment date would be 5-3-03.

Example: Anthony enters LTC on 4-6-03. His wife Joann applies for him on 4-18-03 and states that he had been in the hospital for 17 days and then LTC for the next 20 days beginning 12-12-99, but she had been in LTC for more than 30 days in July in 1999. The initial asset assessment date would be 12-12-99.

The continuous period of care applies to the L/H client who is applying, not the spouse who was hospitalized or in LTC first.

SPECIAL EXCEPTION POLICY

Do **not** do an *initial asset assessment*, even if the client or community spouse requests it, and do not do *initial eligibilit*y (in this item) when at the time a client becomes an L/H, PACE, or waiver client:

- The individual is already eligible for and receiving, SSI-related MA and one or both of the following is true:
  - The client's asset group for SSI-related MA included the spouse who is now the community spouse.
  - The community spouse is eligible for, and receiving, SSI-related MA from Michigan, including as an SSI recipient.

The client is considered asset eligible; therefore:

- Begin the client's *presumed asset eligible period*.
- Do **not** compute a community spouse resource allowance.
- Do **not** send a DHS-4588, Initial Asset Assessment Notice; or DHS-4585, Initial Asset Assessment and Asset Record.

DEFINITIONS

MA Only

Community spouse - Client's spouse when the spouse:

- Is not currently in, and is **not** expected to be, in a hospital and/or LTC facility for 30 or more consecutive days or the spouse is not approved for waiver, PACE, or Freedom to Work.
- For waiver clients, the spouse is **not** also approved for the waiver or PACE, or is not currently in, and is not expected to

be, in a hospital and /or LTC facility for 30 or more consecutive days.

For PACE clients, the spouse is **not** also approved for the waiver or PACE, or is not currently in, and is not expected to be, in a hospital and /or LTC facility for 30 or more consecutive days.

Continuous period of care - A period of at least 30 consecutive days where the institutionalized spouse/applicant has been, or is expected to be:

- In a hospital, and/or
- In an LTC facility, and/or
- Approved for the waiver as defined in BEM 106.
- Approved for PACE as defined in BEM 167.

The period is no longer continuous when none of the above is true for 30 or more consecutive days.

Example: Institutionalized spouse/applicant is in the hospital for 10 days, returned home for 5 days and then entered LTC. Because the applicant was not out of the hospital for 30 days or more, the continuous period of care begins with the hospital admission date.

Waiver - Provides home and community-based services to persons who, if they did **not** receive such services, would require nursing home care. The waiver is administered by the Michigan Department of Health and Human Services (MDHHS) through contracts with Pre-Paid Ambulatory Health Plans; see BEM 106.

Note: Persons applying for the waiver (BEM 106) may have received home and community-based support and services for a period of time in the past or may be already receiving such services at the time of application. For those persons, the first day of continuous care may be the first day on which the person received at least 2 services listed in Exhibit III in this item for at least 30 continuous days.

COUNTABLE ASSETS

MA Only

Use SSI-related fiscal group policy in BEM 211 to determine fiscal groups. Use SSI-related MA policy in BEM 400 to determine countable assets.

CLIENT'S ASSET ELIGIBILITY

Initial Eligibility

SSI-Related MA Only

Apply the following formula to:

- Each past month, including retro MA months, and the processing month for applicants, and
- The first future month for MA recipients.

Exception: Do **not** do initial eligibility when the *special exception policy* in this item applies.

Begin the client's *presumed asset eligible period* in this item.

Initial Eligibility Formula

SSI-Related MA

The formula for asset eligibility is:

- The value of the couple's (applicant, spouse, joint) countable assets for the month being tested.
- **MINUS** the *protected spousal amount* (in this item).
- **EQUALS** the client's countable assets. Countable assets must **not** exceed the limit for one person in BEM 400 for the category(ies) being tested.

Exception: The client is asset eligible when the countable assets exceed the asset limit, if denying MA would cause undue hardship; see *undue hardship* in this item. Assume that denying MA will **not** cause undue hardship unless there is evidence to the contrary.

Presumed Asset Eligible Period

SSI-Related MA Only

Applicants eligible for the **processing month** and recipients eligible for the first future month are automatically asset eligible for up to 12 calendar months regardless of:

- Changes in the community spouse's assets, or
- The number of MA applications or eligibility determinations that occur during the period.

The 12-month period begins with the month following the processing month and is called the presumed asset eligible period.

Exception: The 12-month period ends sooner if any of the following becomes true:

- The continuous period of care ends.
- The client's spouse no longer meets the definition of a community spouse when the spouse enters L/H, a waiver, or PACE.
- The client's spouse dies or the couple divorces.

Note: Do **not** extend the original 12-month period when the client becomes eligible for additional MA benefits (for example: QMB benefits were effective 8-1-91; Group 2 coverage began 10-1-91).

Presumed Asset Eligible Period Ends

SSI-Related MA Only

When the presumed asset eligible period ends, use BEM 400 to determine the client's asset eligibility. Count only the client's assets, **not** the spouse's assets, to determine continued eligibility. Verify all assets which are still owned by the individual, by the spouse, and jointly owned. Verify the transfers of all assets which were owned at the IAA, but which are no longer owned. Review all transfers for divestment.

Note: Because only the client's assets are counted after the presumed asset eligible period, the client may have to transfer some assets to his spouse to make sure that he owns no more than the asset limit for one person at the end of the presumed asset eligible period; see *asset transfer information* in this item.

ASSET TRANSFER INFORMATION

SSI-Related MA Only

The presumed asset eligible period allows time for the client to transfer assets to the community spouse. The client is **not** required to transfer assets to the spouse. However, if they fail to do so, the client may be ineligible for MA after the presumed asset eligible period.

When the rules in this item no longer apply, BEM 400 is used to determine continuing asset eligibility. The community spouse is **not** an asset group member. The protected spousal amount is **not** used. Therefore, the client's own countable assets must **not** exceed the appropriate asset limit (see BEM 400 for the current asset limits for AD-Care or Extended Care categories).

Community Spouse Resource Allowance

SSI-Related MA Only

Federal law requires that the client and community spouse be told how much the community spouse resource allowance is and how it was calculated. Do this only when an applicant is MA eligible for the processing month or a recipient's eligibility continues.

Exception: Do **not** compute the allowance, notify the client or community spouse of the allowance, or send the asset transfer notice when the *special exception policy* in this item applies.

The allowance is:

- The *protected spousal amount*. (**MINUS** the value of the community spouse's current countable assets).

  Note: Do **not** count cash value assets owned jointly by the client and community spouse in this calculation.

- **EQUALS** the community spouse resource allowance.

However, the value of assets fluctuates constantly. Therefore, what the couple really needs to know is: when the rules in BEM 402 no longer apply, the client's countable assets must **not** exceed the appropriate asset limit (currently $2000 for the AD-Care and

Extended Care categories). All of the above information is in the asset transfer notice.

Notification

SSI-Related MA Only

Notify both the client and community spouse in writing of the above information:

- At the time an applicant is notified that he is eligible for the **processing** month, or a recipient continues eligible for MA, and
- When requested by the client, the community spouse, or the representative of either spouse.

Send **both** of the following to give notice:

- DHS-4586, Asset Transfer Notice.
- DHS-4585, Initial Asset Assessment and Asset Record.

Exception: Do **not** send the DHS-4585 when the *special exception policy* in this item applies.

INITIAL ASSET ASSESSMENT

MA Only

An initial asset assessment is needed to determine how much of a couple's assets are protected for the community spouse.

An initial asset assessment means determining the couple's (applicant's, spouse's, joint) total countable assets as of the first day of the **first** continuous period of care that began on or after September 30, 1989.

Example: A married man entered a nursing home on 12/6/89. He was released on 6/10/90 and returned home.

On 3/16/91 he re-entered the nursing home and has been there continuously ever since.

He applied for MA on 10/2/91. To determine his asset eligibility, do an initial asset assessment for 12/6/89 - the first day of the first continuous period of care that began on or after September 30, 1989.

Example: A married woman is hospitalized from 6-10-93 until 6-30-93 when she returns home and applies for waiver services.

To determine her asset eligibility, do an initial asset assessment for 6-10-93, the first day of the first continuous period of care that began on or after September 30, 1989.

The federal law requires that an initial asset assessment be done when requested by either spouse **even when an application** for health care coverage **is not made**.

Exception: Do **not** do an initial asset assessment (even if the client or community spouse requests it) when the *special exception policy* in this item applies.

Form

MA Only

The DHS-4574-B, Assets Declaration, is used to request an initial asset assessment.

Notification

MA Only

Notify both spouses in writing of the results of the initial asset assessment whether it is done prior to, or at the time of, an MA application. Use the following:

- DHS-4588, Initial Asset Assessment Notice, and
- DHS-4585, Initial Asset Assessment and Asset Record.

The above notices inform the couple of the:

- Total amount of their countable assets, and
- The protected spousal amount, and
- Their hearing rights.

Send copies of all verifications or other documents used in making the initial asset assessment along with each copy of the notices.

Standard of Promptness

MA Only

Complete an initial asset assessment and mail notices within 45 days. The period begins on the date the local office receives the signed DHS-4574-B.

A person who requests an initial asset assessment, without applying for MA, must be given the same assistance in completing the assessment and obtaining verification that would be provided to any client. See BAM 130 for types of verification, sources, and timeliness standards. An initial asset assessment **cannot** be completed if a client or the spouse refuses to provide verification or has **not** made a reasonable effort to obtain it within the time standards in BAM 130.

Do **not** deny/terminate a Group 2 Pregnant Woman or MAGI category if the client chooses **not** to cooperate with the initial asset assessment.

PROTECTED SPOUSAL AMOUNT

MA Only

The protected spousal amount is the amount of the couple's assets protected for use by the community spouse. It is the **greatest** of the amounts in 1-3 below.

1. Minimum Resource Standard:

    - $32,532 effective January 1, 2026.
    - $31,584 effective January 1, 2025.
    - $30,828 effective January 1, 2024.
    - $29,724 effective January 1, 2023.
    - $27,480 effective January 1, 2022.
    - $26,076 effective January 1, 2021.
    - $25,728 effective January 1, 2020.
    - $25,284 effective January 1, 2019.
    - $24,720 effective January 1, 2018.

One-half the initial asset assessment amount (see *initial asset assessment* in this item), but **not** more than:

- $162,660 effective January 1, 2026.
- $157,920 effective January 1, 2025.
- $154,140 effective January 1, 2024.
- $148,620 effective January 1, 2023.
- $137,400 effective January 1, 2022.
- $130,380 effective January 1, 2021.
- $128,640 effective January 1, 2020.
- $126,420 effective January 1, 2019.
- $123,600 effective January 1, 2018.

2. The amount (value) determined in a hearing per BAM 600.

3. The amount (value) of assets transferred to the community spouse by the client pursuant to a court order requiring the client to:

   - Pay support to the community spouse, and
   - Transfer assets to the community spouse for the support of the community spouse or a family member. Family member is defined under *family allowance* in BEM 546.

Immediately Refer Court Orders

SSI-Related MA Only

If a court has ordered a transfer of asset to a spouse for the spouse's support, use the value of the assets transferred by the order as the Protected Spousal Amount. Delay any **asset denial** and proceed as follows **immediately** upon receipt of such an order:

1. Prepare a memo with the following:

   - Subject - BEM 402.
   - Specialist name, telephone number and local office.
   - Client’s name and case number.
   - Community spouse's name.
   - If already computed:
     - Initial asset assessment amount.
     - Protected spousal amount per policy.
     - Amount of couple's countable assets.

2. Do **not** delay the memo to compute these amounts. The department has only 20 days to appeal the order. Attach a **legible** copy of the order to the memo and send them via ID mail to:

Michigan Department of Health and Human Services
Legal Affairs Administration
333 South Grand Avenue, 5th Floor
P. O. Box 30195
Lansing, MI 48909

Central Office will send further instructions.

UNDUE HARDSHIP

SSI-Related MA Only

A client whose countable assets exceed the asset limit is nevertheless asset eligible when an undue hardship exists. Assume that denying MA will **not** cause undue hardship unless there is evidence to the contrary.

An undue hardship exists when the client's physician (M.D. or D.O.) states that:

- Necessary medical care is **not** being provided, and
- The client needs treatment for an emergency condition.

A medical emergency is any condition for which a delay in treatment may result in the person's death or permanent impairment of the person's health.

A psychiatric emergency is any condition that must be immediately treated to prevent serious injury to the person or others.

See BEM 100, Policy Exception Request Procedure.

Period of Eligibility

SSI-Related MA Only

The existence of a hardship **cannot** be used to establish eligibility for any month prior to the processing month because there must be a current need for medical care for a current emergency condition.

However, once eligibility is established for the processing month, the client is asset eligible for the presumed asset eligibility period.

INFORMATION UNAVAILABLE

SSI-Related MA Only

A spouse remains the applicant's spouse for Medicaid eligibility until there is a Judgement of Divorce. If the community spouse's whereabouts are unknown (a couple separated prior to the client entering an LTC/hospital setting and the client does **not** know where the spouse is living or how to contact the spouse), the client's countable assets are compared to the appropriate asset limit in BEM 400 to determine eligibility.

Refusal of the community spouse to provide necessary information or verification about his assets results in ineligibility for the client.

VERIFICATION REQUIREMENTS

MA Only

The MA verification requirements in BEM 400 apply. In addition, the statement of the client's physician (M.D. or D.O.) is necessary to establish undue hardship.

Receipt of home and community-based services used to determine the first day of continuous care for the IAA (listed in Exhibit III in this item) must be verified. Sources to verify receipt of home and community-based services listed in the approved waiver include:

- Bill from medical provider with dates and types of provided services listed.
- Receipt from medical provider with dates and types of services provided listed.
- Contact with medical provider or the provider's billing service confirming the dates and types of services listed.

INSTRUCTIONS

MA Only

A completed, signed DHS-4574-B is used to request an initial asset assessment. All such requests, whether or **not** in conjunction with an MA application, must be registered and completed.

EXHIBIT I - DETERMINING SSI-RELATED MA ASSET ELIGIBILITY PER BEM 402

The determination of asset eligibility is a multi-step process.

1. Do INITIAL ASSET ASSESSMENT.
2. Determine PROTECTED SPOUSAL AMOUNT.
3. Determine applicant's (spouse, joint) countable assets for month being tested.
4. Subtract PROTECTED SPOUSAL AMOUNT from the couple's assets.
5. Compare results from step 4 to client's asset limit to determine if asset eligibility exists for month being tested.

Repeat steps 3, 4 and 5 for each month tested. For applicants, test each past month, including retro MA months, and the processing month. For MA recipients, test only the first future month.

6. Calculate the Community Spouse Resource Allowance only when an applicant is eligible for the processing month or a recipient's eligibility continues. Then, the client's Presumed Asset Eligible Period begins.

Example:	January 4	-	Mr. J admitted to hospital
	January 10	-	Mr. J transferred to LTC
	January 17	-	MA application made, and initial asset assessment requested
	February 27	-	Case processed

Initial asset assessment amount: $76,200 the couple's (his, her, their) countable assets on January 4 consist of joint checking and savings accounts).

Protected spousal amount: $38,100 (one-half the initial asset assessment amount).

Asset Eligibility

	January	February
Couple's countable assets (lowest balance during month tested):	$47,600	$40,050
MINUS the protected spousal amount (see above):	38,100	38,100
EQUALS Mr. J's countable assets:	9,500	1,950
Asset limit:	2,000	2,000
Result:	excess assets	eligible

Community Spouse Resource Allowance

Protected spousal amount (see above):	$38,100
MINUS Mrs. J's countable assets for the processing month (all joint cash assets are considered the L/H spouse's):	0
EQUALS community spouse resource allowance:	38,100

EXHIBIT II - WHEN TO USE BEM 400 TO DETERMINE SSI-RELATED ASSET ELIGIBILITY

Policy in BEM 400 is used for married L/H, PACE, and waiver clients when policy in this item does **not** apply. For example:

- The month being tested is **not** an L/H, PACE, or waiver month.
- The continuous period of care began before September 30, 1989.
- A continuous period of care ends because of the client's discharge of 30 or more days to a non-LTC/hospital/waiver/PACE setting.
- The client's spouse is in, or expected to be in, a hospital/LTC facility for at least 30 days.
- Both the client and spouse are approved for the waiver or PACE.

- The location of the client's spouse is unknown; see INFORMATION UNAVAILABLE, in this item.

- The client's spouse dies or the client and spouse divorce. Use BEM 400 starting with the month after divorce or the spouse's death.

- A presumed asset eligible period ends; see Presumed Asset Eligible Period.

EXHIBIT III HOME AND COMMUNITY BASED SUPPORTS AND SERVICES

- Adult Day Health.
- Chore Services.
- Community Health Worker.
- Community Living Supports.
- Community Transportation.
- Counseling.
- Environmental Accessibility Adaptations.
- Fiscal Intermediary.
- Goods and Services.
- Home Delivered Meals.
- Nursing Services
- Personal Emergency Response System (PERS).
- Private Duty Nursing/Respiratory Care.
- Respite.
- Specialized Medical Equipment and Supplies.
- Supports Coordination.
- Training in independent living skills.

LEGAL BASE

Social Security Act, Sections 1915(c) and 1924