

TO: Local Commissioners, MA Directors

FROM: Betty Rice, Director, Division of Consumer & Local District Relations

SUBJECT: Spousal Impoverishment: Increases in the Federal Maximum Community Spouse Resource Allowance (CSRA), Family Member Allowance, and Community Spouse Minimum Monthly Maintenance Needs Allowance (MMMNA)

EFFECTIVE DATE: January 1, 2001

CONTACT PERSON: Bureau of Local District Support:
Upstate (518) 474-9130 NYC (212) 268-6855

The Department has been informed by the Health Care Financing Administration that due to an increase in the consumer price index, the federal maximum Community Spouse Resource Allowance (CSRA) increases to \$87,000 effective January 1, 2001. The State's minimum CSRA will remain set at \$74,820. Therefore, in determining the community spouse resource allowance on and after January 1, 2001, the community spouse is permitted to retain resources in an amount equal to the greater of the following amounts:

1. \$74,820 (the State minimum Community Spouse Resource Allowance; or
2. the amount of the spousal share up to \$87,000 (the new federal maximum).

"Spousal share" is the amount equal to one-half of the total value of the countable resources of the couple as of the date of the first continuous period of institutionalization of the institutionalized spouse on or after September 30, 1989.

Effective January 1, 2001, the annual poverty level for a family of two increases to \$11,560. This figure multiplied by 150 percent, and then divided by 12 equals \$1,445. Therefore, social services districts must use \$1,445 instead of \$1,407 in the family member allowance formula. To calculate the family member allowance:

1. Subtract the otherwise available income of the family member from \$1,445 (the remainder is entered on line 19a of page 5 of the Institutionalized Spouse Budget worksheet);
2. Divide the remainder (amount entered on line 19a of the worksheet) by 3, and round up to the nearest dollar. This is the family member allowance (the amount is entered on line 20 of the worksheet).

If a family member has no otherwise available income, the family member allowance is \$482. All spousal impoverishment cases involving a family member which are active on or after January 1, 2001, must be recomputed using the new family member allowance formula.

In addition, effective January 1, 2001, the Community Spouse Minimum Monthly Maintenance Needs Allowance (MMMNA) increases to \$2,175. The increased MMMNA, family member allowance, federal maximum CSRA and State minimum CSRA must be used when completing an assessment of a couple's resources and income.

Any increases in the MMMNA and family member allowance and/or changes in the NAMI of the institutionalized spouse are to be made effective January 1, 2001. Timely and adequate notice must be provided. The increased MMMNA and family member allowance must also be used effective January 1, 2001 in determining any requested contribution of income from a community spouse or from a spouse living apart from an SSI-related A/R.

As of November 27, 2000 upstate and December 11, 2000 in NYC, MBL will support \$2,175 as the MMMNA for budgets with Effective From Dates of January 1, 2001 or later. Also MBL will use the new MMMNA increase during the 2001 Mass Rebudgeting and Principal Provider Update.

Any questions should be directed to your Bureau of Local District Support, upstate at (518) 474-9130 or in New York City at (212) 268-6855.