

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

REASONABLE LIMITS ON AMOUNTS FOR NECESSARY MEDICAL OR  
REMEDIAL CARE NOT COVERED UNDER MEDICAID

The State projects non-covered medical expenses for six months.

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TN.No. 91-08  
Supersedes  
TN No. 88-14

Approval Date 11/15/93

Effective Date 3/1/91

Revision: HCFP91-4 (BPD)  
AUGUST 1991

SUPPLEMENT 4 TO ATTACHMENT 2.6-A  
Page 1  
OMB No.: 0938-

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

METHODS FOR TREATMENT OF INCOME THAT DIFFER FROM THOSE  
OF THE SSI PROGRAM

(Section 1902(f) more restrictive methods and criteria and State supplement criteria in SSI criteria State without section 1634 agreements and in section 1902 (f) States. Use to reflect more liberal methods only if you limit to State supplement recipients. DO NOT USE this supplement to reflect more liberal policies that you elect under the authority of section 1902 (r) (2) of the Act. Use Supplement 8a for section 1902 (r)(2) methods.)

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TN No. 94-36  
Supersedes  
TN No. 93-16

Approval Date 5-18-95

Effective Date 1-1-95  
HCFA ID: 7985E

Revision: HCFA-PM-91-4 (BPD)  
AUGUST 1991

SUPPLEMENT 5 TO ATTACHMENT 2.6-A  
Page 1  
OMB No. 0938-

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

MORE RESTRICTIVE METHODS OF TREATING RESOURCES THAN THOSE OF THE SSI  
PROGRAM - Section 1902 (f) States only

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TN No. 94-36  
Supersedes  
TN No. 93-16

Approval Date 5-18-95

Effective Date 1-1-95  
HCFA ID: 7985E

Revision: HCFA-PM-91-4 (BPD)  
AUGUST 1991

SUPPLEMENT 5A TO ATTACHMENT 2.6-A  
Page 1  
OMB No.: 0938-

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

METHODS FOR TREATMENT OF RESOURCES FOR INDIVIDUALS  
WITH INCOMES RELATED TO FEDERAL POVERTY LEVELS

(Do not complete if you are electing more liberal methods under the authority of section 1902 (r)(2) of the Act instead of the authority specific to Federal poverty levels. Use Supplement 8b for section 1902(r)(2) methods.)

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TN No. 92-01  
Supersedes  
TN No. 87-5

Approval Date 10-21-92

Effective Date 1/1/92

HCFA ID: 7985E

State: North Carolina

Standards for Optional State Supplementary Payments

Payment Category  Reasonable Classification	Administered by		Income Level				Income Disregards Employed
	Federal	State	<u>Gross</u>		<u>Net</u>		
			1 Person	Couple	1 Person	Couple	
Aged and Disabled Adult Care Home and Mental Health Facilities		X	\$1,692.00		\$1,112.00		For earned income, disregard the first \$65, subtract impairment related work expenses, and disregard one-half the remainder.
Blind Adult Care Homes		X	\$1,692.00		\$1,112.00		For earned income, disregard the first \$85. Plus one-half of the earned income in excess of \$85. From the remaining amount, deduct work expenses. \$20 is subtracted from total income.

TN No. 04-003  
Supersedes  
TN No. 02-27

Approval Date 04/16/04

Effective Date 01/01/2004

Revision: HCFA-PM-91-4 (BPD)  
AUGUST 1991

SUPPLEMENT 7 TO ATTACHMENT 2.6-A  
Page 1  
OMB No.: 0938-

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

INCOME LEVELS FOR 1902(f) STATES - CATEGORICALLY NEEDY  
WHO ARE COVERED UNDER REQUIREMENTS MORE RESTRICTIVE THAN SSI

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TN No. 94-36  
Supersedes  
TN No. 92-01

Approval Date 5-18-95

Effective Date 1-1-95  
HCFA ID: 7985E

Revision: HCFA-PM-91-4 (BPD)  
AUGUST 1991

SUPPLEMENT 8 TO ATTACHMENT 2.6-A  
Page 1  
OMB No.: 0938-

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

RESOURCE STANDARDS FOR 1902(f) STATES - CATEGORICALLY NEEDY

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TN No. 94-36  
Supersedes  
TN No. 92-01

Approval Date 5-18-95

Effective Date 1-1-95  
HCFA ID: 7985E

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

MORE LIBERAL METHODS OF TREATING INCOME UNDER  
SECTION 1902(r)(2) OF THE ACT\*

Section 1902(f) State  Non-Section 1902 (f) State

1. PREGNANT WOMEN UNDER SECTION 1902 (1) OF THE ACT--  
Methodologies less restrictive than AFDC.

In determining countable income, there is no deeming of parents income to the pregnant woman.

2. QUALIFIED CHILDREN UNDER AGE 19--  
Methodologies less restrictive than AFDC.

In determining countable income, disregard the income difference by family size in the amount of the AFDC payment standard and 100% of the Federal Poverty Level (as revised annually in the Federal Register) plus \$1.

3. INFANTS UNDER ONE YEAR OF AGE DESCRIBED IN SECTION 1902(1)(1)(B) OF THE ACT  
Methodologies less restrictive than AFDC.

In determining countable income, disregard the income difference by family size between 185% of the federal poverty level and 200% of the federal poverty level.

4. CHILDREN WHO HAVE ATTAINED ONE YEAR OF AGE BUT HAVE NOT ATTAINED 6 YEARS OF AGE DESCRIBED IN SECTION 1902(1)(1)(C) OF THE ACT  
Methodologies less restrictive than AFDC.

In determining countable income, disregard the income difference by family size between 133% of the federal poverty level and 200% of the federal poverty level.

\*More liberal methods may not result in exceeding gross income limitations under section 1903(f).

State Plan Under Title XIX of the Social Security Act

State: North Carolina

LESS RESTRICTIVE METHODS OF TREATING INCOME  
UNDER SECTION 1902(r)(2) OF THE ACT

X For 1902(r)(2) mandatory eligibility groups 1902 (a)(10)(A)(i)(III), 1902 (a)(10)(A)(i)(IV), 1902 (a)(10)(A)(i)(VI), 1902 (a)(10)(A)(i)(VII) and;  
For optional groups 1902 (a)(10)(C)(i)(III), 1902 (a)(10)(A)(ii)(I), 1902 (a)(10)(A)(ii)(IX), 1902 (a)(10)(A)(ii)(X), 1902 (a)(10)(A)(ii)(XV), 1902 (a)(10)(A)(ii)(XVI), and;

For 1905(p) groups 1902(a)(10)(E)(i), 1902(a)(10)(E)(ii), 1902(a)(10)(E)(iii), 1902(a)(10)(E)(iv):

All wages paid by the Census Bureau for temporary employment related to Census activities are excluded.

X The following income policy applies to the following groups of Medicaid eligibles:

- Qualified Medicare Beneficiaries, 1902(a)(10)(E)(i) and 1905(p)(1) of the Act
- Qualified Disabled and Working Individuals, 1902(a)(10)(E)(ii) and 1905(s) of the Act
- Specified Low-Income Medicare Beneficiaries, 1902(a)(10)(E)(iii) of the Act
- Qualifying Individuals, 1902(a)(10)(E)(iv)

Instead of the SSI methodology of determining income eligibility of an individual through deeming of income from ineligible individuals to eligible individuals, the State shall employ an income limit which is the appropriate percentage of poverty, for each of the groups listed above, for the number in the family.

The family shall consist of:

- The individual applying for assistance under one of the groups listed above and,
- If residing in the home with the individual, the following individuals:
  - The individual's spouse,
  - The individual's children and step-children under age 18, and
  - If the individual is under age 18, his parents and their ineligible children;Except for those individuals receiving public income maintenance payments.

Because all family members to whom income would be allocated are counted in determining the income limit, no income will be allocated to family members in the home. Only the income of those who are financially responsible for the individual under 1902(a)(17) of the Act shall be counted.

Should applying this policy cause an individual to be ineligible in one of the eligibility groups listed above, the State shall determine his eligibility for the group using the SSI income deeming methodology.

State Plan Under Title XIX of the Social Security Act

State: North Carolina

LESS RESTRICTIVE METHODS OF TREATING INCOME  
UNDER SECTION 1902(r)(2) OF THE ACT

1. For 1902(a)(10)(A)(ii)(X), 1902(a)(10)(E)(i), 1902(a)(10)(E)(iii), and 1902(a)(10)(E)(iv):

When the annual Social Security COLA and Federal Poverty Level adjustment cause ineligibility for Medicaid; disregard the most recent Social Security COLA increase.

This disregard continues until the individual loses Medicaid coverage or becomes eligible without this disregard.

2. For individuals eligible under § 1902(a)(10)(A)(ii)(XV) or § 1902(a)(10)(A)(ii)(XVI):

Disregard unearned income above the SSI federal benefit rate up to 150% of the federal poverty level.

3. When determining eligibility for medically needy individuals described at 42 CFR 435.301 (b)(1)(i), (iv) 42 CFR 435.301 (b)(1)(ii), 435.308 and 42 CFR 435.310, payments made under the authority of N.C. G.S. Section 6.18.(a) Article 9 of Chapter 143B, Part 30 Eugenics Asexualization and Sterilization Compensation Program are disregarded as income.

Revision:

SUPPLEMENT 8B TO ATTACHMENT 2.6-A  
Page 1

OMB No.: 0938-

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

MORE LIBERAL METHODS OF TREATING RESOURCES

UNDER SECTION 1902(r)(2) OF THE ACT

\_\_\_\_\_ Section 1902(f) State

X Non-Section 1902(f) State

1. AGED, BLIND AND DISABLED INDIVIDUALS, QUALIFIED MEDICARE BENEFICIARIES, SPECIFIED LOW-INCOME MEDICARE BENEFICIARIES, QUALIFYING INDIVIDUALS, AND ALL NON-MAGI RELATED GROUPS

Methodologies less restrictive than SSI.

- a. The value of personal effects and-household goods are not counted.
- b. The current market value for real property is the tax assessed value. The tax assessed value may be reduced if evidence is provided proving that the current market value is less than the tax assessed value.
- c. For individuals not receiving optional State Supplements, the value of life estate interest in real property is not counted.
- d. For individuals not receiving optional State Supplements, the value of tenancy in common interest in real property is not counted.
- e. Value of burial plots are not counted.
- f. The cash value of life insurance when the total face value of all cash value bearing life insurance policies does not exceed ten thousand dollars is not counted.
- g. Up to \$12,000 of real property contiguous to the individual's principal place of residence when the individual has no ownership interest in his principal place of residence.
- h. Payments made under the authority of N.C.G.S. Section 6.18(a) Article 9 of Chapter 143B, Part 30 Eugenics Asexualization and Sterilization Compensation Program are not counted.

2. MEDICALLY NEEDY AGED, BLIND AND DISABLED INDIVIDUALS--  
Methodologies less restrictive than SSI

Individuals with resources in excess of the resource limit at the first moment of the month may become eligible at the point that resources are reduced to the allowable limit.

3. MEDICALLY NEEDY AFDC RELATED INDIVIDUALS  
Methodologies less restrictive than AFDC

- a. The value of real property is not counted.
- b. The value of one vehicle per adult is not counted.
- c. The value of trusts funds, burial contracts and retirement accounts is not counted.

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TN No. 13-011

Supersedes

TN No. 03-01

Approval Date 11-26-14

Effective Date 10/01/2014

HCFA ID: 7985E

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: North Carolina

MORE LIBERAL METHODS OF TREATING RESOURCES

UNDER SECTION 1902(r)(2) OF THE ACT

\_\_\_\_\_ Section 1902(f) State

Non-Section 1902(f) State

2. MEDICALLY NEEDY AGED (42 CFR 435.320), BLIND (42 CFR 435.322), AND DISABLED (42 CFR 435.224) INDIVIDUALS—

Methodologies less restrictive than SSI

Individuals with resources in excess of the resource limit at the first moment of the month may become eligible at the point that resources are reduced to the allowable limit.

3. AFDC RELATED INDIVIDUALS

- 1902(a)(10)(A)(i)(III) mandatory qualified pregnant women and children
- 1902(a)(10)(A)(ii)(I) optional AFDC eligible children – 1905(a)(i), parents and other caretaker relatives – 1905(a)(ii), and pregnant women – 1905(a)(viii)
- 1902(a)(10)(A)(ii)(III) optional parents and other caretaker relatives – 1905(a)(ii)
- 1902(a)(10)(C) optional medically needy children – 1905(a)(i), parents and other caretaker relatives – 1905(a)(ii), and pregnant women – 1905(a)(viii)

Methodologies less restrictive than AFDC

- a. The value of real property is not counted.
- b. The value of one vehicle per adult is not counted.
- c. The value of trusts funds, burial contracts and retirement accounts is not counted.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: North Carolina

MORE LIBERAL METHODS OF TREATING RESOURCES  
UNDER SECTION 1902(R)(2) OF THE ACT

   SECTION 1902(f) State        X   Non-Section 1902(f) State

4. QUALIFIED CHILDREN UNDER AGE 19

All resources are excluded

5. MEDICALLY NEEDY AFDC RELATED INDIVIDUALS

Methodologies less restrictive than AFDC

Disregards otherwise countable assets in the following amounts:

Family Size	Amount
1	1500
2	750
3	650
4	550
5	450
6	350
7	250
8	150
9	50
10	0

6. When determining eligibility for medically needy individuals described at 42 CFR 435.301 (b)(1)(i), (iv) 42 CFR 435.301 (b)(1)(ii), 435.308 and 42 CFR 435.310, payments made under the authority of N.C. G.S. Section 6.18.(a) Article 9 of Chapter 143B, Part 30 Eugenics Asexualization and Sterilization Compensation Program are disregarded as income.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

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STATE LONG-TERM CARE INSURANCE PARTNERSHIP

1902(r)(2) The following more liberal methodology applies to individuals who are  
1917(b)(1)(C) eligible for medical assistance under one of the following eligibility  
groups:

- Optional categorically needy individuals described in 1902(a)(10)(A)(ii)(I) and 1902(a)(10)(A)(ii)(X)
- Medically needy Aged (42 CFR 435.320), Blind (42 CFR 435.322), and Disabled (42 CFR 435.224) individuals
- Individuals described in 1902(a)(10)(A)(i)(II)
- Individuals described under 42 CFR 435.230

An individual, who is a beneficiary under a long-term care insurance policy that meets the requirements of a "qualified State long-term care insurance partnership" policy ("partnership policy") as set forth below, is given a resource disregard as described in this amendment. The amount of the disregard is equal to the amount of the insurance benefit payments made to or on behalf of the individual. The term "long-term care insurance policy" includes a certificate issued under a group insurance contract.

X The State Medicaid Agency (Agency) stipulates that the following requirements will be satisfied in order for a long-term care policy to qualify for a disregard. Where appropriate, the Agency relies on attestations by the State Insurance Commissioner (Commissioner) or other State official charged with regulation and oversight of insurance policies sold in the state, regarding information within the expertise of the State's Insurance Department.

- The policy is a qualified long-term care insurance policy as defined in section 7702B(b) of the Internal Revenue Code of 1986.
- The policy meets the requirements of the long-term care insurance model regulation and long-term care insurance model Act promulgated by the National Association of Insurance Commissioners (as adopted as of October 2000) as those requirements are set forth in section 1917(b)(5)(A) of the Social Security Act.
- The policy was issued no earlier than the effective date of this State plan amendment.
- The insured individual was a resident of a Partnership State when coverage first became effective under the policy. If the policy is later exchanged for a different long-term care policy, the individual was a resident of a Partnership State when coverage under the earliest policy became effective.

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TN No. 10-027  
Supersedes  
TN No. NEW

Approval Date 01-06-11

Effective Date: 01/01/2011

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

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STATE LONG-TERM CARE INSURANCE PARTNERSHIP

- The policy meets the inflation protection requirements set forth in section 1917(b)(1)(C)(iii)(IV) of the Social Security Act.
- The Commissioner requires the issuer of the policy to make regular reports to the Secretary that include notification regarding when benefits provided under the policy have been paid and the amount of such benefits paid, notification regarding when the policy otherwise terminates, and such other information as the Secretary determines may be appropriate to the administration of such partnerships.
- The State does not impose any requirement affecting the terms or benefits of a partnership policy that the state does not also impose on non-partnership policies.
- The State Insurance Department assures that any individual who sells a partnership policy receives training, and demonstrates evidence of an understanding of such policies and how they relate to other public and private coverage of long-term care.
- The Agency provides information and technical assistance to the Insurance Department regarding the training described above.

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TN No. 10-027

Supersedes

Approval Date 01-06-11

Effective Date: 01/01/2011

TN No. NEW

Revision: HCFA-PM-85-3 (BERC)  
FEBRUARY 1985

SUPPLEMENT 9 TO ATTACHMENT 2.6-A  
Page 1

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

TRANSFER OF RESOURCES

1902(f) and 1917  
of the Act

- A. The agency provides for nursing facility or equivalent services as specified in Section 1917 (c) of the Social Security Act.

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TN No. 91-18  
Supersedes  
TN No. 86-19

Approval Date 7/24/91

Effective Date 4/1/91

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

- B. An institutionalized individual who (or whose spouse) transfers resources for less than the fair market value shall not be found ineligible for nursing facility services, for a level of care in a medical institution equivalent to that of a nursing facility services, or for home and community-based services where the State determines that denial of eligibility would work undue hardship under the provision of Section 1917 (c) (2) (D) of the Social Security Act.
- C. A non-institutionalized individual who (or whose spouse) transfers resources for less than the fair market value shall not be found ineligible for in-home health services and supplies where the State determines that denial of eligibility would work undue hardship under the provision of Section 1917(c)(2)(D) of the Social Security Act.

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TN No. 03-02  
Supersedes  
TN No. 91-18

Approval Date 05/22/03

Effective Date 2-1-03

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

TRANSFER OF ASSETS

1917(c) The agency provides for the denial of certain Medicaid services by reason of disposal of assets for less than fair market value.

1. Institutionalized individuals may be denied certain Medicaid services upon disposing of assets for less than fair market value on or after the look-back date.

The agency withholds payment to institutionalized individuals for the following services:

Payments based on a level of care in a nursing facility;

Payments based on a nursing facility level of care in a medical institution;

Home and community-based services under a 1915 waiver.

2. Non-institutionalized individuals:

X The agency applies these provisions to the following non-institutionalized eligibility groups. These groups can be no more restrictive than those set forth in section 1905 (a) of the Social Security Act:

Mandatory and optional categorically needy and medically needy Aged, Blind, Disabled individuals covered in ATTACHMENT 2.2-A of this Plan and qualified Medicare Beneficiaries described in 1905(p)(1). However, it does not apply to State Supplements (42 CFR 435.130 & 435.230.)

The agency withholds payment to non-institutionalized individuals for the following services:

X Home health services (section 1905(a)(7));

Home and community care for functionally disabled and elderly adults (section 1905(a)(22));

X Personal care services furnished to individuals who are not inpatients in certain medical institutions, as recognized under agency law and specified in section 1905(a)(24).

The following other long-term care services for which medical assistance is otherwise under the agency plan:

State: North Carolina

TRANSFER OF ASSETS

1. Penalty Date—The beginning date of each penalty period imposed for an uncompensated transfer of assets is:

x the first day of the month in which the asset was transferred;  
     the first day of the month following the month of transfer.

2. Penalty Period - Institutionalized Individuals—  
In determining the penalty for an institutionalized individual, the agency uses:

x the average monthly cost to a private patient of nursing facility services in the agency;  
     the average monthly cost to a private patient of nursing facility services in the community in which the individual is institutionalized.

3. Penalty Period Non-institutionalized Individuals--  
The agency imposes a penalty period determined by using the same method as is used for an institutionalized individual, including the use of the average monthly cost of nursing facility services;

     imposes a shorter penalty than would be imposed for institutionalized individuals, as outlined below:

State: North Carolina

TRANSFER ASSETS

4. Penalty period for amounts of transfer less than cost of nursing facility care-

a. Where the amount of the transfer is less than the monthly cost of nursing facility care, the agency:

X does not impose a penalty;

\_\_\_\_\_ imposes a penalty for less than a full month, based on the proportion of the agency's private nursing facility rate that was transferred.

b. Where an individual makes a series of transfers, each less than the private nursing facility rate for a month, the agency:

X does not impose a penalty;

\_\_\_\_\_ Imposes a series of penalties, each for less than a full month.

5. Transfer made so that penalty periods would overlap-  
The agency:

X totals the value of all assets transferred to produce a single penalty period;

\_\_\_\_\_ calculates the individual penalty periods and impose them sequentially.

6. Transfers made so that penalty periods would not overlap-  
The agency:

X assigns each transfer its own penalty period;

\_\_\_\_\_ uses the method outlined below:

State: North Carolina

TRANSFER ASSETS

9. Penalty periods - transfer by a spouse that results in a penalty period for the individual-

- (a) The agency apportions any existing penalty period between the spouses using the method outlined below, provided the spouse is eligible for Medicaid. A penalty can be assessed against the spouse, and some portion of the penalty against the individual remains.

When both spouses are institutionalized the penalty period is divided equally between the spouses.

When both spouses are non-institutionalized the penalty period is divided equally between the spouses.

- (b) If one spouse is no longer subject to a penalty, the remaining penalty period must be served by the remaining spouse.

10. Treatment of income as an asset--When income has been transferred as a lump sum, the agency will calculate the penalty period on the lump sum value.

     The agency will impose partial month penalty periods.

When a stream of income or the right to a stream of income has been transferred, the agency will impose a penalty period for each income payment.

     For transfers of individual income payments, the agency will impose partial month penalty periods.

     For transfers of the right to an income stream, the agency will use the actuarial value of all payments transferred.

  X   The agency uses an alternate method to calculate penalty periods, as described below:

The agency adds each income payment and imposes a full month penalty the first day of the month in which income transferred equals the average monthly cost of nursing facility services.

Revision: HCFA-PM-95-1 (MB)  
MARCH 1995

SUPPLEMENT 9(a) to ATTACHMENT 2.6-A  
Page 5

State: North Carolina

TRANSFER ASSETS

11. Imposition of penalty would work an undue hardship--  
The agency does not apply the transfer of assets provisions in any case in which the agency determines that such an application would work an undue hardship.

The following criteria will be used to determine whether the agency will not count assets transferred because the penalty would work an undue hardship:

When application of transfer of assets provisions would deprive an individual of medical care such that his health or life would be endangered or deprive individual of food, clothing, shelter, or other necessities of life.

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TN No. 95-06  
Supersedes  
TN No. NEW

Approval Date 6-14-95

Effective Date 4-1-95

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

TRANSFER OF ASSETS

1917(c) For Transfers Of Assets for less than fair market value made on or after February 8, 2006, the agency provides for the denial of certain Medicaid services according to section 1917(c) of the Social Security Act, as amended by the Deficit Reduction Act of 2005 (P.L. 109-71).

1. Institutionalized individuals are denied coverage of certain Medicaid services upon disposing of assets for less than fair market value on or after the look-back date.

The agency does not provide medical assistance coverage for institutionalized individuals for the following services:

Nursing facility services;

Nursing facility level of care provided in a medical institution;

Home and community-based services under a 1915(c) or (d) waiver.

2. Non-institutionalized individuals:

X The agency applies these provisions to the following non-institutionalized eligibility groups. These groups can be no more restrictive than those set forth in section 1905(a) of the Social Security Act:

Mandatory and optional categorically needy and medically needy Aged, Blind, Disabled individuals covered in ATTACHMENT 2.2-A of this Plan and qualified Medicare Beneficiaries described in 1905(p)(1). However, it does not apply to State Supplements (42 CFR 435.130 & 435.230).

The agency withholds payment to non-institutionalized individuals for the following services:

X Home health services (section 1905(a)(7));

Home and community care for functionally disabled elderly adults (section 1905(a)(22));

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

TRANSFER OF ASSETS

Personal care services furnished to individuals who are not inpatients in certain medical institutions, as recognized under agency law and specified in section 1905(a)(24).

The following other long-term care services for which payment for medical assistance is otherwise made under the agency plan:

3. Penalty period start date – The penalty period begins:

- a. For uncompensated transfers by or on behalf of individuals receiving Medicaid payment for long-term care services, on the first day of the month following advance notice of the penalty period, but no later than the first day of the month that follows three full calendar months from the date of the report or discovery of the transfer; or
- b. For uncompensated transfers by individuals requesting Medicaid payment of long-term care services, on the date on which the person is eligible for medical assistance under the state plan and would receive institutional level long-term care services but for the imposition of the penalty period.

The penalty period cannot begin until any existing penalty period for uncompensated transfers has expired.

4. Penalty Period - Institutionalized Individuals--

In determining the penalty for an institutionalized individual, the agency uses:

the average monthly cost to a private patient of nursing facility services in the State at the time of application;

the average monthly cost to a private patient of nursing facility services in the community in which the individual is institutionalized at the time of application.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

TRANSFER OF ASSETS

5. Penalty Period - Non-institutionalized Individuals--  
The agency imposes a penalty period determined by using the same method as is used for an institutionalized individual, including the use of the average monthly cost of nursing facility services;
- \_\_\_ imposes a shorter penalty period than would be imposed for institutionalized individuals, as outlined below:
6. Penalty period for amounts of transfer less than cost of nursing facility care--
- X Where the amount of the transfer is less than the monthly cost of nursing facility care, the agency imposes a penalty for less than a full month, based on the option selected in item 4.
- X The state adds together all transfers for less than fair market value made during the look-back period in more than one month and calculates a single period of ineligibility, that begins on the earliest date that would otherwise apply if the transfer had been made in a single lump sum.
7. Penalty periods - transfer by a spouse that results in a penalty period for the individual--
- (a) The agency apportions any existing penalty period between the spouses using the method outlined below, provided the spouse is eligible for Medicaid. A penalty can be assessed against the spouse, and some portion of the penalty against the individual remains.
- (b) If both spouses are eligible for Medicaid and receiving institutional services or non-institutional services described in item 2., above, the penalty period is divided equally between the spouses.
- (c) If one spouse is in a penalty period when the other spouse becomes eligible for Medicaid and begins to receive institutional services or non-institutional services described in item 2, above, the remaining penalty period is divided between the two spouses.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

TRANSFER OF ASSETS

- (d) If one spouse is no longer subject to a penalty, the remaining penalty period must be served by the remaining spouse.

8. Treatment of a transfer of income—

When income has been transferred as a lump sum, the agency will calculate the penalty period on the lump sum value.

When a stream of income or the right to a stream of income has been transferred, the agency will impose a penalty period for each income payment.

X For transfers of individual income payments, the agency will impose partial month penalty periods using the methodology selected in 6. above.

\_\_\_ For transfers of the right to an income stream, the agency will base the penalty period on the combined actuarial value of all payments transferred.

9. Imposition of a penalty would work an undue hardship--

The agency does not impose a penalty for transferring assets for less than fair market value in any case in which the agency determines that such imposition would work an undue hardship. The agency will use the following criteria in making undue hardship determinations:

Application of a transfer of assets penalty would deprive the individual:

- (a) Of medical care such that the individual's health or life would be endangered; or  
(b) Of food, clothing, shelter, or other necessities of life.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: North Carolina

TRANSFER OF ASSETS

10. Procedures for Undue Hardship Waivers

The agency has established a process under which hardship waivers may be requested that provides for:

- (a) Notice to a recipient subject to a penalty that an undue hardship exception exists;
- (b) A timely process for determining whether an undue hardship waiver will be granted; and
- (c) A process, which is described in the notice, under which an adverse determination can be appealed.

These procedures shall permit the facility in which the institutionalized individual is residing to file an undue hardship waiver application on behalf of the individual with the consent of the individual or the individual's personal representative.

11. Bed Hold Waivers For Hardship Applicants

The agency provides that while an application for an undue hardship waiver is pending in the case of an individual who is a resident of a nursing facility:

\_\_\_\_\_ Payments to the nursing facility to hold the bed for the individual will be made for a period not to exceed \_\_\_\_\_ days (may not be greater than 30).

DEC 17 1986

DEFINITION OF BLINDNESS

An individual shall be considered to be blind if he has central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered as having a central visual acuity of 20/200 or less. An individual shall also be considered to be blind as defined under the State Plan approved under Title XVI as in effect for October 1972 and received aid under such plan (on the basis of blindness) for December 1973, so long as he is continuously blind as so defined.

DEFINITION OF DISABILITY

Disability is inability to engage in any substantial gainful activity due to a medically determinable physical or mental impairment that can be expected to result in death, or has lasted, or can be expected to last 12 months or longer. An individual shall also be considered to be disabled if he is permanently and totally disabled as defined under the State Plan approved under Title XVI as in effect for October 1972 and received aid under such plan (on the basis of blindness) for December 1973, so long as he is continuously blind as so defined.

Neither of the above definitions is more liberal than the SSI definitions for the condition.

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TN. No. 86-19

Supersedes

TN. No. 85-03

Approval Date 7/7/87

Eff. Date 12/22/86