

**PLEASE READ THIS IMPORTANT NOTICE ABOUT YOUR REQUEST FOR MEDICAL ASSISTANCE COVERAGE FOR INSTITUTIONALIZED SERVICES AND DISCLOSURE OF ANNUITIES**

NORTH CAROLINA \_\_\_\_\_ County Department of Social Services

\_\_\_\_\_ Date Mailed: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Beginning November 1, 2007, the federal Deficit Reduction Act of 2005 (DRA) requires disclosure of any annuities purchased or changed by an individual applying for Medicaid coverage of institutional services. This requirement also applies to annuities purchased or changed by a spouse or authorized representative and for any annuities in which the individual or his/her spouse has an ownership interest.

Institutional services include the following:

- Services provided in skilled nursing facilities (SNF) or intermediate care facilities for the mentally retarded (ICF), and
- Nursing facility services provided in a hospital, and
- Services provided by the Community Alternatives Programs

Applicants and recipients requesting coverage of institutional services must disclose any annuities purchased or changed before eligibility can be determined. The disclosure of purchase of and interest in all annuities is required.

For annuities purchased or changed by the applicant and/or the applicant's spouse or authorized representative on or after November 1, 2007:

- The State must be named the remainder beneficiary in the first position; or
- The State must be named in the next position after a spouse or child under age 21 or a disabled child of any age.

**You must send in a copy of the annuity contracts owned by you and/or your spouse in order for the county to verify that the State has been named the remainder beneficiary.** Failure or refusal to send in the required documentation will result in the county considering the purchase of the annuity to be a transfer of assets for less than fair market value.

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Caseworker Name and Phone Number