

# Spousal Impoverishment (SIMP)

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WINK-ed



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# Contents & Learning Objectives

The information provided in this document is to be used in conjunction with guidance in the [MLTC Processing Guide](#), [Non-MAGI & Combined Renewal Process Guide](#), [Long-Term Care WINK-ed](#) and the [Resource Spend Down Guide](#). Eligibility requirements such as residency, citizenship, or other non-financials is outside the scope of this guidance. SIMP Medicaid policy regulations can be found in [477 NAC 26](#).

## Spousal Impoverishment (SIMP) Introduction

### Section 1: Assessment Request

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The Medicaid 477 NAC manual has been moved to the Secretary of State's website: [477 MEDICAID ELIGIBILITY](#).

Staff will need to go to the SOS website, click on the applicable chapter and search for the manual reference noted (Tip: Use **ctrl+f** to bring up a search function).

If MIWD should be an option, or there are SIMP case questions not answered in this presentation email [dhhs.medicaidpolicyquestions@nebraska.gov](mailto:dhhs.medicaidpolicyquestions@nebraska.gov).

# Introduction: Spousal Impoverishment (SIMP)

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When a spouse is injured or becomes ill and requires institutional level of care, either in a facility or in the home, expenses can rapidly deplete the income and lifetime savings of a family.

The purpose of SIMP budgeting is to help families maintain a certain standard of living, allowing their spouse and dependent relatives to retain up to a certain level of income and/or resources, reducing their risk of poverty.

**Facility spouse:** The spouse requiring institutionalized care. This spouse may be referred to as the LTC spouse or SIMP spouse in this presentation.

**Institutional Level of Care:** **477 NAC 26 002.05** The level of care, based on medical and functional criteria, which is normally required by the Department to reside in a nursing facility, intermediate care facility for the developmentally disabled, or to receive Home and Community-Based Services (HCBS) or PACE services. Institutional level of care is also referred to as Long-Term Care, LTC, or a specified living arrangement.

**Community spouse:** The legally married spouse to the individual receiving institutional level of care. The community spouse may not be receiving institutional level of care for SIMP budgeting.

**Dependent family member:** Minor children, dependent parents, or siblings of the community spouse and/or institutional care spouse. Must be residing with the community spouse and could be claimed as dependents for tax purposes.

# Section 1: Assessment Request

A Medicaid application is not required for a SIMP assessment; A married couple is allowed **one assessment** in their lifetime per **477 NAC 26 003.01(B)**.

- Either spouse may request an assessment.
- An individual who previously had an assessment completed, but has since remarried, will require a new assessment with their current spouse.
- When a couple requests a SIMP assessment be completed (with or without an application), they are often aware that they're currently over resources and will need to spend down. The assessment informs them of the spend down amount.

An assessment may be completed when one spouse:

- Has received institutional level of care (LOC) for at least 30 consecutive days; OR
- Is “likely” to require 30 days of institutional level of care, either in a facility or at home with waiver or PACE services. See [SIMP 30 Day Criteria Guide](#); OR
- Would have received such care except for death.

**When the spouse is “likely” to require 30 days of nursing home care:**

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- A written statement from a facility is not required. A verbal declaration from the facility or physician can be accepted. A verbal declaration **must** be documented in the case file.
  - Hospital days are also counted towards the likely 30-day period.
  - A referral for a level of care assessment may be necessary. [477-000-042](#)

# Section 1: Assessment Request

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The month LOC is met will determine the month of the SIMP assessment of resources. See [477-000-042](#)

- The month and year that **either** spouse **first** received (or required) institutional level of care for 30 consecutive days or more is the month of assessment.
- If neither spouse has had a qualifying out of home stay and has not met the assessment criteria from the previous slide, a [level of care referral](#) must be sent to E&E *as soon as possible*.

When sending the LOC referral, **include SIMP in the subject line**.

- This is especially important if there is no application, or if the Medicaid case has been denied.
- E&E staff need to know this information; they typically will not schedule a LOC assessment if there is not an active or pending Medicaid case.
- The E&E unit may add an ADTBI program case to NFOCUS, to enable it to interface with Therap (the system used for the level of care assessment).

# Section 2: Assessment Of Resources On Form IM-73

Under SIMP regulations, the community spouse will be entitled to retain resources above the normal Medicaid limit. This is referred to as the reserved amount. The purpose of the assessment is to determine the community spouse's reserved amount. **477 NAC 26 003.01(E)**

- Completing the IM-73 is the first step in an eligibility determination for SIMP budgeting and is used if either spouse requires institutional care while the other spouse remains in the home. LOC is required, prior to completion, if neither spouse has received institutional care for 30 days and is not currently in a LTC facility, see Spousal Impoverishment-Assessment Date.
- The reserved amount is calculated based on the total countable resources the couple have/had in the assessment month.

The IM-73 form is accessed by going to the  
[Forms Website](#)



The IM-73 and IM-74 PDF Form Instructions is in  
MERL under **Tools > Non-MAGI**



- Regardless of when the form is completed, use the minimums and maximums that were current in the month and year either spouse **first entered** the facility for a qualifying stay, or the month and year it was determined they met LOC.
- Refer to 477-000-029 for minimums and maximums for previous years. If the assessment month and year is prior to 2004, contact policy for amounts to use.

No amendments are made to the IM-73 once signatures are obtained.

If it's believed DHHS made an error when completing the assessment, email  
[DHHS.MedicaidPolicyQuestions@nebraska.gov](mailto:DHHS.MedicaidPolicyQuestions@nebraska.gov) to determine if a corrected assessment should be completed for the couple.

## Section 2: Assessment Of Resources On Form IM-73

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A meeting or phone call with the community spouse or case representative will likely be required to discuss details about the month and year of assessment.

Spousal Impoverishment can be incredibly complicated and often requires a lot of work from the applicant. Try to keep things step-by-step and remain empathetic to their situation. If the representative tells you they are overwhelmed, focus on one step at a time.

- A worker might want to say something like, “Medicaid would need to know what resources were owned at the time of initial entry into institutional care and what is owned now.
- The department may be going several years in the past which may require obtaining details on several pieces of information.
- Help them prepare a list of calls they will need to make or letters they will need to send after the meeting.

This may also be a good time to evaluate if any community partner referrals are necessary such as the prospective community spouse needing the assistance from an agency such as Aging Partners or the League of Human Dignity.

# Section 2: Assessment Of Resources On Form IM-73

## Initial Information Gathering for the IM-73

- A meeting or phone call with the community spouse or case representative will likely be required to discuss details about the month and year of assessment.
- Collect the following information:
  - Date of the **first** 30-day (or longer) out of home stay in LTC for **either** spouse.
    - Names of the hospitals/facilities to confirm the correct assessment month.
    - A combination of hospital and rehab stays count, if it adds up to 30 consecutive days or more.
    - A stay in a facility outside of Nebraska may need to be reviewed by policy.
  - Attested finances in the month of assessment, in addition to current finances.
  - Any power of attorney, authorized representative or release of information details.
  - If meeting face-to-face, obtain copies of available documentation.



If there is no Medicaid application is on file, **only resources in the month of assessment are needed** (not income, expenses, TPL, etc.).

However, if attested resources are below the minimum, an application is recommended.

# Section 2: Assessment Of Resources On Form IM-73

## Additional Considerations for Gathering Information

Ask if there have been significant reductions of resources, or if there are large expenditures which need to be made. Document major changes which have occurred between the month of assessment and now, especially if the assessment month is more than a year in the past.

### Items often forgotten or unreported may include

- Life insurance policies.
- Vehicles; Boats, RVs, classic vehicles, etc. May be held in storage.
- Savings bonds and CDs.
- Real property; land or property in other counties or states, or property used for business or vacation purposes or held in life estate.
- Checking or savings accounts which have been closed since the month of assessment, or accounts with small balances that aren't frequently used.
- Investments, bonds, and stock certificates.
- Trusts.
- Retirement accounts or IRAs that have since been depleted.
- Safe Deposit Boxes/contents of

### Providing good customer service

- Create Life Insurance or Annuity Verification request forms in NFOCUS and have the individual sign the forms during the meeting, if possible. This is helpful if multiple resources require verification, or the assessment month is several years in the past.
- If needed, try to provide contact numbers, addresses, or other ways to contact the companies that will need to provide verification information.
- Make three-way calls to verify necessary information. This is especially helpful if information from previous years is needed, or if there is specific information needed.



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# Section 2: Assessment Of Resources On Form IM-73

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## Leading Questions Suggestion List

- When you were working, where did you and your spouse work?
- What kind of benefit package did you and your spouse receive upon retirement?
- Where is your Social Security/retirement/pension deposited each month?
- Tell me about any major financial decisions you've had to make since the assessment month.
- Tell me about any plans you have in place for burial expenses.
- What can you tell me about your investments?
- What information have you received from the VA or another government agency about the benefits you receive based on military service?
- Have you ever owned any classic cars or recreational vehicles, boats, or golf carts?
- What types of financial planning services do you use?
- Have you ever owned real estate other than the home you have lived in?



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## Section 2: Assessment Of Resources On Form IM-73

Add necessary information to NFOCUS. One of three situations will exist (also see next slide):

### #1 There is no Medicaid application (only a request for an assessment):

If there is an **existing MC**:

- Do *not* pend a Medicaid program case.
- Add documentation provided to NFOCUS.
- Correspondence and narratives can be created.
- Utilize speed notes instead of VRs to request only the resources owned in the month of assessment; other eligibility factors are not applicable (Self-Employment income may be required, if it's needed to determine what resources should be excluded from the IM-73).

If a **new MC** must be created:

- Pend a Medicaid program case, then immediately *deny* it and *delete notices*.
- Do *not* request or review interfaces, delete any interface alerts (without an application, no permission to access interfaces).
- Add documentation provided to NFOCUS and narrate information.
- Correspondence can be created.
- Utilize speed notes instead of VRs to request only the resources owned in the month of assessment; other eligibility factors are not applicable (Self-Employment income may be required, if it's needed to determine what resources should be excluded from the IM-73).

**AVS and VRs must not be used if an application has not been filed.**

Remember to scan in all documentation and narrate all discussion points from the meeting.

If there was a MC created but there was not an application received, be sure to include this information in the narrative.

## **Section 2: Assessment Of Resources On Form IM-73**

**Add necessary information to NFOCUS. One of three situations will exist (also see prior slide):**

### **#2 Application is received prior to meeting/call out:**

- Add documentation provided to NFOCUS and narrate information from the meeting.
- Request necessary interfaces, submit to AVS, and send VRs and/or other correspondence.

If an application has been received, AVS is the primary source of verification of account balances.

Paper statements should not be requested from applicants for the purpose of completing the IM-73.

### **#3 Application is completed at the meeting:**

- Add documentation provided to NFOCUS and narrate information from the meeting.
- Additional action may include; pend and tie the application, request necessary interfaces, submit to AVS, and send VRs and/or other correspondence.

If paper statements have been provided, the information may be used if it benefits the couple. This must be documented in the case for audit purposes.

# Section 2: Assessment Of Resources On Form IM-73

## Requesting Information & Drafting the IM-73

If an application **has been received**, submit an AVS ad hoc:

- If the assessment month will be included in the look back period (“SA” RT code), only one ad hoc is required.
- If the assessment month will **not** be included in the look back period, submit an ad hoc for the **assessment month** first, using the RT code “AA”. Follow up with an ad hoc for the **application month** using the RT code “SA” after the assessment month has finished processing.
- Send a VR for other resource types in the assessment month, in addition to any required verifications for the application month. \*\*If it appears the couple will have a significant spend down, items like income and expenses may not be required and do not need to be requested.

If an application has **not** been received: DO NOT USE AVS to verify resources. Send a speed note for only the resources owned in the month of assessment. Set an alert for follow up.

- While waiting for verifications to be returned, begin a draft copy of the IM-73.
  - This will assist in tracking information needed, and information already verified.
  - Update this draft whenever additional information is received.
  - Send additional speed notes as needed, setting alerts for follow up.

# Section 2: Assessment Of Resources On Form IM-73

**Requesting information:** Verification requests are useful in obtaining the required items for the completion of an assessment when an application has been received. If there is no application, the worker must utilize speed notes and alerts to manage information. Either way, there is **no time limit** on an assessment of resources request or when verifications must be provided by.

## Denial of Medicaid application:

- If SIMP was requested on an application and it's appropriate to deny Medicaid eligibility, the worker must continue to address the SIMP assessment request.
- If the Medicaid application has been denied for an eligibility factor, a new application *is not required* for the completion of the SIMP assessment.



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# Section 2: Assessment Of Resources On Form IM-73

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## Items to include on the assessment    NAC 477 26 003.01(C)

All **countable** resources owned or available to the couple in the assessment month.

- This includes resources owned individually, as a couple, and jointly owned with other parties.
- Prenuptial agreements do not apply.

All resources must be verified prior to being added to the IM-73.

## Items not included on the assessment    NAC 477 26 003.01(D)

Resources which are excluded in determining Medicaid eligibility are also excluded for the assessment of resources.

- Example: life estate interest and resources held in trust must not be included on the IM-73 or IM-74 forms.

An excluded resource owned by the couple at the time of the assessment (such as a home), which later loses its exclusion, cannot be added to the assessment of resources when the exclusion is lost.

Resources acquired after the assessment is completed, resources which were not disclosed, and resources which were discovered after completion of the IM-73 cannot be later added in order to increase the amount reserved for the community spouse.



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## **Section 2: Assessment Of Resources On Form IM-73**

## **Verifications Are Received, Complete The IM-73**

Complete the IM-73 to the best interest of the couple. Ensure the correct month and year are listed so the reserved amount calculation will be correct. DOUBLE CHECK all dates and verified amounts prior to sending for signature.

Accounts: Generally, use the **highest** balance in the account during the month. AVS is the primary source of verification if an application has been received. It is permissible to use information from a bank statement if it will benefit the couple, however this must be documented for auditing purposes.

Do not encumber income deposited in accounts unless encumbering the income would make a difference in whether there would be a spenddown or not. If encumbering income would mean the difference between a spenddown and no spenddown, encumber.

\*Deposited income can only be used as an encumbrance if the nursing home obligation has not been paid for the month by the date of the lowest daily balance.

If there are transfers between accounts in the assessment month, make sure not to “double count” these transfers. Attention must be paid to dates of transfers and balances used.

Narrate the details.

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Division of Medicaid and Long Term Care  
**Assessment of Resources**

Name of Applicant /Recipient	Social Security Number		
Name of Spouse	Social Security Number		
Month of Assessment	Year of Assessment		
<b>SECTION 1</b>			
<b>Resources Owned in Month Either Spouse Entered Specified Living Arrangement</b>			
List all resources owned as of the month the spouse entered the specified living arrangement. List the equity value of the resource. This does not include resources in the name of a Trust/Trustee or Life Estate interest.			
Type/Description	Owners (List all names)	Declared Value	Verified Actual Value
PAGE	Total From This Page	\$	0.00
1	Total From Other Pages	\$	0.00
	Total of All Pages	\$	0.00
<b>SECTION 2</b>			
<b>Calculation of Amount of Resource Reserved for Community Spouse.</b>		MINIMUM	MAXIMUM
The minimum and maximum amounts to be used are at 477-000-029.		Twice	\$ 0.00
There will be only one amount on one of the following lines:			
The MINIMUM amount if the total is twice the MINIMUM or less.			
The MAXIMUM amount if the total is twice the MAXIMUM or more.			
One-half of the total if the total is at least twice the MINIMUM but less than twice the MAXIMUM.			

## **Section 2: Assessment of Resources on Form IM-73**

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### **Signatures on the IM-73**

When all countable assets have been verified and recorded, send two copies of the IM-73 with a VR (application was received) or Generic Notice (no application was received); one must be signed and returned for the assessment to be considered complete, the other is for the couple's records. Set a follow up alert if sending with a notice.

Only one spouse **MUST** sign the form, but it is best practice if both spouses sign, if capable.

Other signatures:

- Best practice is to have the community spouse sign the form. In rare circumstances, the POA can sign on the behalf of the couple, however the POA document must be on file to consider this signature valid.
- An authorized representative shouldn't sign these documents, nor should a healthcare POA.

If the couple reports there is an error on the IM-73, advise them **not** to sign the form until the issue can be resolved. Make any necessary corrections or changes and send two copies of the new IM-73.

### [Spousal Impoverishment-Assessment of Resources and Designation](#)

The assessment of resources notifies the couple that they may appeal the assessment. The couple may appeal the value assigned to the resources, the amount reserved for the community spouse, or both. In order to appeal, the institutionalized spouse must apply for Medicaid. If the community spouse alleges that it is necessary to reserve additional resources, the community spouse must first show that the need cannot be met by allocating additional income from the institutionalized spouse. If the community spouse prevails on appeal, then additional resources may be reserved, **NAC 477 26 003.01(G)**.

# Section 2: Assessment Of Resources On Form IM-73

Next steps when the IM-73 is signed and returned:

## Application on file

- If the couple currently has resources over the reserved amount plus \$4,000 and doesn't have specific plans to spend down, deny the application for "Resources Exceed Program Standards". Send notice and explain why the application was denied, including the community spouse's reserved amount and the resource limit for the LTC spouse.
- If the couple currently has resources under the reserved amount plus \$4,000 or it appears they will be spent down within the next month, proceed to ***Section 3: Designation of Resources***.

## No application on file

- If the couple currently has resources over the reserved amount plus \$4,000 and doesn't have specific plans to spend down, communicate eligibility requirements including their resource reserved amount. Send a speed note as a courtesy to confirm the assessment was completed, in addition to any other information necessary. It may be helpful to include information about deprivation rules. No further action should be required until an application is received.
- If the couple currently has resources under the reserved amount plus \$4,000, or if they are close (or tell you they are close), an application is recommended.

Be sure to save the IM-73 as a **permanent resource** in document imaging.

# Section 3: Designation Of Resources On Form IM-74

## General Information:

The designation of resources (Form IM-74) is completed when the couple has applied for Medicaid and has spent their countable assets down to the *reserved amount* indicated on the IM-73 plus \$4,000. The document creates a plan of resource ownership moving forward, with the primary goal of reducing resources in the name of the LTC spouse to \$4,000 or less.

- This form should only be completed once the couple has spent down their combined assets to the *reserved amount* plus \$4,000.

**The IM-74 must be signed and on file BEFORE the SIMP case can be processed.**

- When possible, send the IM-74 at the same time the IM-73 is being sent. This may reduce processing times and will provide good customer service.
- In some situations, the IM-74 is merely a formality (couple has already retitled ownership of resources or has less than \$4,000 in resources, for example), however it still must be signed and scanned into the case file prior to approval.

No resource owned by a trust is allowed on the IM-74. If either spouse is the beneficiary of a trust, and the trust is a countable resource, then the trust assets available must be distributed to the beneficiary before such assets can be included on the designation of resources, NAC 477 26 003.02 (C)(i).

If a new application is received after a break in coverage, resources must be reviewed to determine if a new IM-74 is required.

Situations that require a new designation may include, but are not limited to:

- There are resources that were previously excluded but have lost their exclusion.
- New resources have been acquired or discovered.
- The LTC spouse has resources over \$4,000 in their name.

# Section 3: Designation Of Resources On Form IM-74

## Starting the Designation

- There must be a Medicaid application on file to begin completing the IM-74.
- If there was a resource spenddown, obtain information on how the spenddown was completed.
  - Request verification if questionable, or if deprivation is suspected.
- All current resource values must be verified.

### Using AVS to complete the IM-74:

If the couple has been spending down resources for eligibility, Medicaid will likely need to review bank statements when completing the IM-74. If the balances in AVS put them over the *reserved amount* plus \$4,000, paper verification is appropriate.

- AVS is the ‘first minute of the first day of the month’ balance, however bank statements may be able to verify if resource eligibility was met at any time during the calendar month.
- Per [AVS Procedural Guide, Section 6\(1\)\(b\)\(iii\)](#) - If the individual is over resources, review to see if a resource spend down is applicable or if the client may be under resources (i.e. an individual may be paying a facility privately and will be under resources after their facility payment).
- Use AVS first, but review bank statements if needed.
- Narrate the verification source of all resources used.



## Section 3: Designation Of Resources On Form IM-74

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- Total the verified countable resource values for the couple and compare this to the *reserved amount* on the IM-73. Follow the Medicaid Resource Verification Plan. It may be necessary to obtain paper verification if AVS balances result in excess resources. Additional steps may be needed, such as:
  - Encumber current month's income, if applicable. \*Deposited income can only be used as an encumbrance if the nursing home obligation has not been paid for the month by the date of the lowest daily balance.
  - Use low balances in the month
    - Watch out for transfers between accounts. For instance: If the lowest balance in account A occurred after a \$500 transfer to account B, make sure the balance being recorded for account B is after the date the transfer occurred.
- If the total countable assets are equal to or less than the *reserved amount* plus \$4,000, enter information on the IM-74 as stated on the following slides.



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# Section 3: Designation Of Resources On Form IM-74

## Drafting the IM-74

- List all countable resources for the eligibility month on a draft IM-74.
  - The left column is for the LTC spouse. The right column is for the community spouse.
- List ownership as it currently stands.
- Encumber deposited income, if applicable, per the [Medicaid Resource Verification Guide](#).
- Excluded resources should not be included on the IM-74.
  - If the resource is truly excluded, there will be no transfer of ownership required. However, transfers between spouses is allowable.

NEBRASKA Good Life. Great Mission. DEPT. OF HEALTH AND HUMAN SERVICES		Division of Medicaid and Long Term Care Designation of Resources	
Name of Applicant/Recipient	Social Security Number		
Name of Spouse	Social Security Number		
SECTION 1			
List below how the resources will be divided based on the amount of resources which can be reserved for the community spouse as determined from the Assessment of Resources. Only list those resources that are countable.			
Applicant/Recipient		Spouse	
Type/Description	Value	Type/Description	Value
PAGE	TOTAL	\$0.00	
1	MAXIMUM	\$4,000.00	
		TOTAL	\$0.00
		RESERVED AMOUNT (IM-73)	

Once all current resources and values are on the IM-74 contact the applicants. Work with the applicants to create a “plan”. The result of this plan is to get the Alternate Care Spouse under \$4,000 in resources. The Community Spouse should have resources at or less than their reserved amount.

## **Section 3: Designation Of Resources On Form IM-74**

**After the Draft of the IM-74 work with the applicant and their spouse to determine how they would like the resources to be designated within the reserved amount plus the \$4000 for the LTC spouse.**

- Move resources and balances around on the IM-74 to get the values in each column under the reserved amount and Medicaid maximum amount. However, be careful about the following:
  - If the couple plans on purchasing something as a spend down, don't remove this planned purchase from the balances listed on the designation until verification of the completed transaction is received.
  - There are times where an individual is not allowed to remove or change ownership of an account without closing that account and opening a new one. In a situation like this, list the account on the IM-74 as "NEW <BANK NAME>" and put the verified balance of the existing account in as the balance of this proposed account.
  - The applicants may have begun retitling resources, spouse-for-spouse rules still apply. Confirm retitled accounts are reflected on the IM-74.

Once completed, two copies of the IM-74 must be sent with a Verification Request.

- The couple must sign and return one of these copies; the other is for their records.
- Rules for signatures on the IM-73 and IM-74 are the same. See slide 17 for details.

**SIMP eligibility is not determined until the signed IM-74 has been returned, even if the LTC spouse is current pay SSI or if the couple has combined resources of less than \$6,000.**

# Section 3: Designation Of Resources On Form IM-74

## Over The Reserved Amount, Plus \$4,000

- If the couple applying is over the reserved amount plus \$4,000, contact them and consider the following:
  - Are there additional items to spend down on, or is there financial activity that is unaccounted for on the provided verification?
  - Are there recent/upcoming major purchases that could reduce resources?
  - Are medical bills current?
  - Have they been privately paying the facility? If so, currently paid up through when?
    - Can the excess be applied to outstanding bills? Refer to the Resource Spend Down Guide.
  - If resources are in excess, inform the couple that if resources are spent down on something other than medical bills, there will not be eligibility in the months prior to the month the spenddown was completed.
    - Send a Verification Request for any documentation needed to verify resources were reduced; Or
    - Apply the excess resources to the SOC for the first month, if applicable.
  - If the couple is under the reserved amount plus \$4,000, proceed to the next slide.

Details about the resource spend down must be documented in the case, as well as how this was verified.

# Section 4: Dependent Family Members

Dependent family members may be eligible for Medicaid and still be included in the SIMP budget.

Dependent family members include only:

- Minor children residing with a community spouse; and/or
- Dependent parents or siblings of the community spouse or LTC spouse, who reside with the community spouse and could be claimed as dependents for tax purposes.

Adding dependent family members in the SIMP budget will increase the income standard to which the community spouse's and other dependent family members' income is compared, for the purpose of determining the amount of allowance that may be made from the LTC spouse's income.



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# Section 5: Determination of Eligibility

Prior to processing SIMP eligibility, account for all the following:

## For the couple

- Signed IM-73 and IM-74 on file.
- Verification of all resources, including those closed since assessment month.
  - Narrate details about how resources were spent down. If questionable, request receipts or copies of cleared checks to ensure a deprivation did not occur.
- Deprivation- If concerned a deprivation occurred, request any documentation to verify. Document all details in case narrative.

## For the community spouse

- Income: All earned, self-employment and/or unearned income verified.
- Expenses: Homeowner's insurance, property taxes, monthly mortgage payments/rent are verified. Health insurance premiums for the community spouse and/or dependent relative are not used in SIMP budgeting but may be used in their own budget if they are also requesting Medicaid.
- Dependent family members added, including their income.

## For the institutionalized spouse

- Income: All earned, self-employment, and/or unearned income verified.
- Expenses: Health insurance premiums verified. If the policy has a combined premium for both spouses, the insurer will need to provide a break down.
- Health insurance cards or policy information is verified.



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# Section 5: Determination of Eligibility

**The IM-73 and IM-74 must be signed and on file prior to budgeting.** SIMP budgeting must not be approved for any months prior to the month of assessment. SIMP must only be processed for months when all eligibility requirements have been met.

## **Entering information into NFOCUS:**

- The community spouse and dependent relatives are added in the *Other Role* task in expert.
- The LTC spouse's designated resources from the IM-74 are added to expert.
  - The community spouse's designated resources do not require entry, unless they are applying for Non-MAGI Medicaid.
  - For jointly owned resources, enter the LTC spouse as the owner, and change the ownership percentage to 50%.
- Verified housing expenses are entered in the community spouse's name.
- Medical insurance premiums for the LTC spouse are entered in their name (see boxed information below).
- Income is entered in the name of the spouse or dependent relative entitled to/receiving the income.

### **\*\*Health Insurance Premium Workaround\*\***

Health insurance premiums tied to the LTC spouse may not be deducted correctly by the system in SIMP/OMB budgets. The worker must review the budget prior to authorizing to ensure the verified expense was deducted correctly. If the premium is not deducted and the budget result is SIMP/MN when it should pass for SIMP/OMB, a workaround is needed.

See [Identified NFOCUS Issues and Workarounds](#) for additional details and instructions on applying the workaround.

# Section 5: Determination of Eligibility

A portion of the LTC spouse's income may be allocated to the community spouse, subject to a yearly minimum and maximum. See [477-000-012](#). The amount calculated for the community spouse's maintenance needs may be appealed.

The community spouse's gross income is compared to the sum of:

- The minimum maintenance allowance (150% FPL);
- Dependent relative allocation, if applicable;
- Excess shelter costs, if applicable; and
- Standard utility allowance, if applicable.

\*If the community spouse's income amount is less than the sum of these, the spouse's income may be allocated, up to the calculated amount.

From the 2024 MLTC Program Chart		
SPOUSAL IMPOVERISHMENT		
Reserved Amount	MIN	\$30,828
2024 (IM-73)	MAX	\$154,140
Community Spouse 150% FPL		\$2,465
Excess Shelter Limit		\$740
Utility Standard		\$580
Max Maintenance Allowance for CP		\$3,854

Only the income of the LTC spouse (after the allocation is subtracted) is used in determining the share of cost amount.

Gross income of the community spouse and dependent relative is used in the budget, except for self-employment where adjusted gross income after expenses is used. There are no income disregards applied to the community spouse or dependent relative's income.

If the community spouse fails to provide verification of their income, but we have all other items verified and the IM-73 & IM-74 complete, the case should be processed under the ABD configuration instead of SIMP. This ensures there is no income allocation allowed. [477 NAC 26 004.05](#)

# Section 5: Determination of Eligibility

## Comments on the Notice of Action

In the comments section of the NOA, it may be helpful to add the details of any transfers of ownership that must be completed by the first Medicaid renewal, to reflect the plan established on the IM-74.

Example language:

*As agreed, on the Designation of Resources form IM-74, verification of the transfer of countable resources must be completed by the next renewal date per 477 NAC 26-003.02(D). After the transfers have occurred, XXXX must have \$4,000 or less in countable resources in their name. Verification the following ownership changes will be necessary upon the Medicaid renewal.*

- *The Checking Account at Pinnacle Bank, #123456, currently owned by XXXX and XXXX, will remove XXXX as an owner.*
- *A new Checking Account at Pinnacle Bank will be opened and only XXXX will be listed as the owner.*
- *The IRA at American Financial Funds, #314344, currently owned by XXXX, will be closed and the funds will be transferred to the IRA at American Financial Funds, #555111, currently owned XXXX and XXXX.*
- *The IRA at American Financial Funds, #555111, currently owned by XXXX and XXXX, will remove XXXX as an owner.*
- *\$4,000 from the IRA at American Financial Funds, #555111, will be transferred into the new Checking Account to be opened at Pinnacle Bank.*



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# Section 6: Interspousal Transfers

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## Verifying and documenting the interspousal transfer of assets

The resources as documented on the IM-74 are usually a plan of how the couple will transfer assets, since Medicaid eligibility may be determined before the assets are transferred. Per **477 NAC 26 003.02(D)** the transfers must be completed **by the first Medicaid renewal**. If changes are reported or verification is received prior to the first renewal, this information must be acted on and documented.

Clearly narrate which resources have been verified as transferred, as well as those that have not yet been transferred or verified.

There may be circumstances which prevent the transfers from being completed as written in the designation. The designation is simply a plan to transfer assets, and helps the couple gain a perspective of what accounts need to be transferred and understand the “countable” value of resources. The LTC spouse must be under \$4,000 in countable resources at the time of the first renewal, even if the accounts and other assets at that time do not match the IM-74 completely.

### Examples:

- A financial institution may not allow removal of an individual from an account, which will likely require the account being closed and a new account opened.
- A life insurance policy is often not able to be transferred. The policy may be surrendered, and the proceeds deposited into another resource type.

# Section 7: Renewals in SIMP

The information provided is in conjunction with the [Non-MAGI & Combined Renewal Process Guide](#).

## First Medicaid Renewal - Verifications

- Ownership of resources is verified again. If required transfers have not been completed and the LTC spouse retains ownership of more than \$4,000 in countable resources, Medicaid must be closed.
- LTC spouse's income and expenses.
- Dependent family member's status and income.
- Community spouse's income and expenses.
- The community spouse may have resources above their reserved amount, unless a transfer from the LTC spouse put them over the reserved amount.

See

## Subsequent Medicaid Renewals - Verifications

- LTC spouse's income, expenses and resources.
- Dependent family member's income.
- Community spouse's income and expenses.
- Community spouse's resources are only needed if the LTC spouse transferred assets to them, or if deprivation is suspected.

See

## At Any Time

- Transfer of resources between spouses is an exception to the deprivation provisions, **unless** the resources transferred from the LTC spouse results in the community spouse having countable resources above the reserved amount. If the LTC spouse has transferred assets to the community spouse, the community spouse's resources must be verified to determine that they were within the reserved amount listed on the IM-73 at the time of the transfer. Any amount transferred in excess of the reserved amount is counted as a deprivation of resources.  
**23-003.04(A)(vi), 26-003.03(A) and 26-003.02(D)**
- Deprivation rules apply to assets the community spouse transfers for less than fair market value, unless in accordance with **23-003.04(K)** or **23-003.04(L)**.

# Section 8: Changes during SIMP

## Resource Change

An excluded resource owned by the couple at the time of the assessment and/or designation, which later loses its exclusion, cannot be added to the assessment or designation when the exclusion is lost. Once completed, the IM-73 cannot be updated to increase the amount reserved for the community spouse. **477 NAC 26 003.01(D)**

This includes:

- Resources acquired after the assessment is completed
- Resources which were not disclosed
- Resources which were discovered after completion of the IM-73

**Example:** After the IM-73 is complete, the couple finds information about stocks they own that were not previously reported, which would have resulted in a higher reserved amount. The IM-73 is not completed again to include the value of the stocks.

A resource which is acquired, was omitted, or loses its exclusion after the IM-74 has been completed is treated per **477 NAC 26 003.02(E)**.

- The value of a resource owned by the LTC spouse is counted for them only.
- The value of a resource owned by the community spouse is counted for them only.
- The value of a resource owned by both spouses is divided in equal shares to each spouse.

**Example:** The sale proceeds from the previously excluded home, jointly owned by the community spouse and LTC spouse at the time of the sale, is divided equally among them.

# Section 8: Changes during SIMP

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## Income Change

All reported changes in income must be verified. If the community spouse fails to provide verification of their income, SIMP budgeting is not allowed.

## Expense Change

Shelter and medical expenses must be verified prior to use in the budget. If a change is reported, request verification.

- Failure to provide Insurance premiums or other unreimbursed medical expenses for the LTC spouse\* would not result in ineligibility, however the expense will not be used in the budget if not verified.
- Shelter expenses for the community spouse

\*See [Identified NFOCUS Issues and Workarounds](#) if the LTC spouse's insurance premiums are not being deducted correctly in a SIMP/OMB budget.



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# Section 8: Changes during SIMP

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## Death Reported

If the community spouse passes away, the LTC spouse may be required to file for their elective share of the spouse's augmented estate. See [WINK – Augmented Estate](#)

- If all the couple's assets were jointly owned, or if the couple's combined assets are below the Medicaid resource limit for one, filing with the court is not necessary.
- If the surviving spouse receives all resources owned by the deceased spouse prior to the 60-day requirement to file, they no longer are required to file with the court.
- We generally do not require someone to file with the court if the costs of filing the action would exceed the value of the resources to be recovered.
- Questions about whether the surviving spouse must file with the court may be sent to [DHHS.MedicaidPolicyQuestions@nebraska.gov](mailto:DHHS.MedicaidPolicyQuestions@nebraska.gov).



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# Spousal Impoverishment WINK-ed

Questions or comments? [DHHS.MedicaidQA@nebraska.gov](mailto:DHHS.MedicaidQA@nebraska.gov)



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