

## SIMP Budgeting Q&A

1. **Q:** Does initial eligibility for SIMP require interspousal transfers be completed/verified prior to approval?

**A:** The IM-74 may be completed, and Medicaid eligibility determined before all resources have changed ownership to reflect the arrangement on the (IM-74) form. The ownership of all resources is verified again **at the time of the institutionalized spouse's first Medicaid renewal**. If any necessary transfers have not been completed at that time, and the institutionalized spouse retains ownership in more than four thousand (\$4,000) in resources, Medicaid must be closed due to excess resources. Transfer of resources between spouses is an exception to the deprivation of resource provisions unless the resources transferred from the institutionalized spouse would result in the community spouse having countable resources above the reserved amount. The amount transferred in excess of the community spouse's reserved amount is counted as a deprivation of resources per 444 NAC 26 003.02(D) INTERSPOUSAL TRANSFERS.

2. **Q:** How is the case budgeted when the community spouse begins to receive institutional services?

**A:** If the community spouse begins to receive institutional services, then the eligibility for SIMP ends and the designation of resources does not apply.

3. **Q:** Are medical insurance disregards allowed in SIMP cases?

**A:** Yes, a spouse and participant's medical insurance premium are allowed disregards in SIMP cases as they are in other Non-MAGI Medicaid categories. A dependent relative's health insurance premiums are not allowed disregards.

4. **Q:** Can an individual in SIMP also be eligible for MIWD?

**A:** Having an individual eligible for both SIMP and MIWD would likely be a rare situation, NFOCUS is not set up to simultaneously run both categories of Medicaid. Staff must work with Policy and Production Support to accurately process the Medicaid benefit.

5. **Q:** Are there situations where the agency may have to redo the IM-73?

**A:** In general, the IM-73 is a document that is completed once. However, if there were instances such as the agency failed to include information or used incorrect data that would make a difference in the reserved amount, a policy question must be sent asking if the IM-73 can be redone. Include case specific details when sending a redo request to policy.

6. **Q:** Is utilizing the Asset Verification System (AVS) a requirement when completing the IM-73 and IM-74?

**A:** AVS is part of the Medicaid Verification Plan. There must be a valid Medicaid application on file that provides permission to use AVS. If there was a request for a SIMP assessment and no application was received, paper documentation must be utilized. [The Expedited AVS Process Reasons](#) are still valid for SIMP cases. If AVS is not used, staff must clearly narrate why paper documentation was necessary.

## Community Spouse is applying for Non-MAGI:

7. **Q:** When there is a spouse in the facility (SIMP spouse) and the community spouse is applying for Non-MAGI, should both spouses be budgeted in the same master case? Or a separate master case?

**A:** Eligibility is determined separately for each spouse. Consider the income and resources of each spouse, in their own name. There is not a large enough sample size of participants at this point to determine when there should be separate master cases. If the couple can remain in the same master case, they must be budgeted in separate program cases. Staff may need to work with Production Support. In some cases, the couple may need to be put in to separate master cases. If both spouses are eligible for a Medicaid category, and opened in their own master case, list the spouse not in the master case as "Out of Household".

When determining eligibility for an in-home waiver case, both the community spouse and the facility spouse would remain in the same master case but in separate Medicaid programs. For instructions on the workaround, please contact Production and Support.

8. **Q:** What is the appropriate resource limit for the community spouse who is applying for Medicaid?

**A:** For medical coverage, the general MAGI and Non-MAGI rules apply to the community spouse, unit size of one. In Non-MAGI the Aged, Blind or Disabled must have resources under \$4,000. For SLMB and QI-1 cases the MSP resource limit applies. A community spouse may also be reviewed for MAGI categories if eligibility factors are met, there is no resource test for MAGI.

9. **Q:** Since both the community spouse and spouse in the facility are now applying for Medicaid (after the SIMP assessment has been completed), do the resources get combined and apply to both spouses?

**A:** When the SIMP spouse resides in a facility, count the resources attributed to the community spouse only in determining the eligibility of the community spouse. **Note:** if the SIMP spouse is receiving in-home waiver, the combined resources of the couple is used to determine eligibility for the community spouse. Only resources attributed to the SIMP spouse will be used in determining SIMP eligibility.

10. **Q:** How do we handle any designated resources from the IM-74 for the community spouse?

**A:** Resources owned by the community spouse are used in determining their eligibility only. The completed IM-74 form would have no effect because it only applies to the SIMP spouse. However, the IM-74 would be a lead for determining the amount of countable resources.

**11. Q:** Should income from both spouses be included in the budget when determining eligibility for the community spouse?

**A:** For Non-MAGI eligibility, count any income allocated from the SIMP spouse as unearned income for the community spouse, if the SIMP spouse resides in a facility. If the SIMP spouse is receiving in-home waiver, then the income of both spouses is used to determine eligibility for the community spouse.

**12. Q:** Will the community spouse receiving Medicaid impact the SOC for the spouse in the facility?

**A:** The community spouse becoming eligible for Medicaid would not impact the SOC amount of the SIMP spouse unless there was a change in the income allocation.

### Community Spouse is applying for MAGI:

**13. Q:** When there is a spouse in the facility and the community spouse is applying under MAGI, should both spouses be budgeted in the same master case? Or a separate master case?

**A:** In some cases, the couple may need to be separated into separate master cases. There is not a large enough sample size of participants at this point to determine when we should separate them. Staff may need to work with Production Support.

**14. Q:** Should both spouses be budgeted in one program case or two?

**A:** If the couple can remain in the same master case they must be budgeted in separate program cases.

**15. Q:** If the tax household is listed as married filing jointly how is the income counted for the community spouse?

**A:** For the community spouse, income is counted per MAGI guidelines. Tax filer rules will determine how income is counted. If the spouses are living together and not filing a joint return, Medicaid eligibility would still consider both incomes.

**16. Q:** Will income from both spouses be included in the budget when determining eligibility for the community spouse?

**A:** For the community spouse, Tax filer rules will determine how income is counted.

**17. Q:** How is income allocated from the facility spouse handled in the MAGI budget of the community spouse?

**A:** If the tax household is married filing jointly, then the income of the facility spouse is already being counted in the tax household.

**18. Q:** Will the community spouse receiving Medicaid impact the SOC for the spouse in the facility?

**A:** The community spouse becoming eligible for Medicaid would not impact the SOC amount of the SIMP spouse unless there was a change in the income allocation.