

OPTIONAL PAY-IN PROGRAM FOR INDIVIDUALS WITH SURPLUS INCOME



Department of
Social Services
Human Resources Administration
Department of Homeless Services

Medical Insurance
and Community
Services Administration

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Individuals whose income exceeds the Medical Assistance income limits may still receive help with medical bills. MAP-931, **Explanation of the Surplus Income Program** explains that if you bring in or send us your medical bills each month which are equal to or more than the amount of your surplus income, you may receive coverage for any other **outpatient** medical expenses you incur from a Medical Assistance provider in that month. Explained below is another way you can get Medical Assistance coverage.

Instead of bringing or mailing in your medical bills each month, you can pay us the amount of your income that is over the limit. If you decide to pay this money to us, you will be given outpatient coverage for the month you are paying for, and will not have to wait until you incur a medical bill. If you pay a total of six months of surplus income, you will be given outpatient and inpatient coverage for that six-month period. Once you are given coverage, you can use your medical Assistance card to obtain services from your doctor or other medical provider. You must be sure the provider accepts payments from the Medical Assistance program before you receive the service.

If you pay your surplus income to us and then get or pay a bill for medical services that Medical Assistance does not cover (for example, chiropractor's service), we will give you a refund or we will give you a credit toward the next available uncovered month. You must bring in or send to us the paid or unpaid bill in order to get a credit or refund.

Remember, we will not pay for or give credit for any bill or portion of a bill that is covered by **Medicare** or other health insurance that you have.

If you decide to pay your surplus income to us, from time to time we will review the amount of all the claims we have paid for you and compare this amount to the amount you have paid. If you have paid more than you should have, we will either give you a refund or give you credit for coverage in another month. We will make this decision based on your circumstances.

You should consider the following before deciding to take part in the Pay-In Program:

1. Unless you know that you will need medical services during a month, it is **not** to your benefit to pay us your surplus income that month.
2. If you pay your surplus income for a period and then do not use your Medical Assistance card, it may take at least a year for us to give you a refund or credit. This is because we must wait to see if any claims have been paid for you for that period.
3. If you decide you want to pay your surplus income to us, you may do so every month, or only in those months that you know you will need medical services. If you want, you **may** pay us for more than one month at a time, up to six consecutive months. However, if you decide to pay your surplus income and then do not make a payment to us for three consecutive months, you may receive a notice of our intent to close your case. You may reapply for Medical Assistance if you incur or expect to incur medical expenses at least equal to your surplus income and wish to make a payment or submit bills to receive coverage.

In some circumstances, the Medicaid program does not count income that is placed in a Supplemental Needs Trust. Please read the attached "Explanation of the Effect of Trusts on Medicaid Eligibility". This information is also available on the department of health website at: http://health.ny.gov/health_care/Medicaid/index.htm#trusts.

If you did not provide proof of your resources when we determined your eligibility for Medical Assistance, you will not be eligible for coverage of long-term care services.

Please call the HRA Medicaid Helpline at 1-888-692-6116 if you need help understanding this letter or if you need further information.

Do you have a medical or mental health condition or disability? Does this condition make it hard for you to understand this notice or to do what this notice is asking? Does this condition make it hard for you to get other services at HRA? **We can help you.** Call us at 212-331-4640. You can also ask for help when you visit an HRA office. You have a right to ask for this kind of help under the law.

Explanation of the Effect of Trusts on Medicaid Eligibility

What is a Trust?

A trust is a legal instrument by which an individual gives control over his/her assets to another (the trustee) to disburse according to the instructions of the individual creating the trust. A trust can contain:

- Cash or other liquid assets; **and**
- Real or personal property that could be turned into cash.

What Things Count as Assets and are Used to Establish a Trust?

Assets often placed in trust include income, accumulated resources, and real property.

How Does a Trust Affect My Medicaid Benefits?

As a general rule, if you use your assets to establish a trust on or after January 1, 2000, all or part of the trust assets will be counted as your resource for purposes of determining your Medicaid eligibility.

- In the case of a **revocable** trust, the whole trust is your resource.
- In the case of an **irrevocable** trust, if there are any circumstances under which payment could be made to you or for your benefit, the portion of the trust from which payment could be made is your resource.

Are There Any Exceptions to These Counting Rules?

There are certain exceptions that apply to:

- “Special needs trusts” (sometimes referred to as “supplemental needs trusts”) which are created for the benefit of a certified disabled person under the age of 65. A “special needs trust” must:
 - Be created with the individual’s own assets; **and**
 - Be created by the disabled person, by the disabled person’s parent, grandparent, or legal guardian, or by a court; **and**
 - Include language specifying that upon the death of the disabled person, the state will receive all amounts remaining in the trust, up to the amount of Medicaid paid out on behalf of the individual.
- “Pooled trusts” which are created for the benefit of a certified disabled person of any age. To be considered a “pooled trust” :
 - The trust must be established and managed by a non-profit association;
 - The trust maintains separate accounts for each person whose assets are included in the pooled trust, but pools these accounts for purposes of investment and management of the trust funds;
 - The trust must be created with the individual’s own assets;
 - The disabled individual’s account in the trust must be established by the disabled individual, by the disabled individual’s parent, grandparent or legal guardian, or by a court; **and**
 - The trust must include language specifying that upon the death of the individual, funds not retained by the non-profit organization will go to the state, up to the amount of Medicaid paid out on behalf of the individual.

Medicaid will not count the assets in a special needs trust or pooled trust if it meets the described criteria. Income directly diverted to one of these types of trusts or received and then placed into the trust is not counted as income. Verification that the income was placed into the trust is required. Any trust assets distributed to the disabled individual are counted as income.

How Do I Request that the Local Social Services District Rebudget My Income Once I have Created a Trust?

You must provide a copy of the trust to your local social services district. You must include a written statement indicating the amount of monthly income that will be placed into the trust each month.

How Does Money from a Trust that is *Not* My Resource Affect My Medicaid Benefits?

- Money paid directly to you from the trust is counted as income.
- Money paid directly to someone for your benefit will not count as income (e.g., food, shelter, telephone bills, education, entertainment, etc.).

How Can I Find Out More About Setting Up a Trust?

If you are interested in setting up a trust, you should consult a lawyer or financial advisor. You may be able to get a lawyer at no cost to you by calling your local Legal Aid or Legal Services Office. For the names of other lawyers, call your local or State Bar Association.

If a Power of Attorney (POA) is establishing a trust for you, the powers granted under the POA must include permission to make gifts.

Note: Also, for married and single individuals, assets that you may use to fund a trust and which we may not count while you are living in the community, will count in determining the amount of income you must contribute toward the cost of long term nursing home care. Additional rules apply to transfers to and from trusts under the transfer of assets provisions.

If you are married and your Medicaid eligibility is determined under spousal impoverishment budgeting with post-eligibility rules (e.g. you are enrolled in a Medicaid Managed Long Term Care plan.), any of your income placed in a trust will count in determining your eligibility.

This Information is General.
For More Information
Call 1-800-541-2831