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707 Community Spouse Resource Budgeting

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[Revised 01/07/2016](#)

Policy

When a customer has a Community Spouse, a certain amount of the couple's combined resources is protected for the spouse living in the community when using initial rules.

This protected amount of the couple's resources is called the Community Spouse Resource Deduction (CSRD).

NOTE The customer must meet the specific Community Spouse requirements related to resources in [MA508](#) to qualify for the Community Spouse Resource Deduction.

Initial rules allow the CSRD to be deducted from the couple's combined countable resources for up to 12 consecutive months when determining the customer's resource eligibility. The 12-month period includes the 1st month eligibility is determined using community spouse rules and the next 11 consecutive months. The 12-month period may include months when the individual is ineligible or eligible for acute care. See [Ineligible Month in Initial Period](#) for an example.

This 12-month Initial Period gives the couple time to transfer countable resources owned by the customer solely to the Community Spouse. The resources left in the customer's name must not be more than the \$2,000 resource limit when post-initial rules begin. The customer must complete spousal transfers while initial rules are in effect to remain resource eligible when post-initial rules are applied.

SEE [COMPLETING THE COMMUNITY SPOUSE TRANSFER NOTIFICATION](#).

The Initial Period may be shorter than 12 consecutive months when:

- The customer's resources over \$2,000 have been transferred to the community spouse before the end of the Initial Period.

- The couple's counted resources increase during the Initial Period and the customer no longer qualifies using initial rules. The couple is informed of the early conversion option and given 10 days to complete transfers to the Community Spouse needed to reduce the customer's resources to \$2,000 or less. See [Ending the Initial Period Early – Resources Increased](#) for an example.
- Eligibility is stopped before the end of the 12-month period.

1) When are Initial Rules applied?

For customers who are not currently receiving ALTCS, see the table below for when Initial and Post-Initial rules are used:

If the customer...	Then...
Has never received ALTCS benefits	Community spouse initial rules are used. See MA707B.
Received ALTCS in the past, but never using community spouse rules	Community spouse initial rules are used.
Received ALTCS in the past using community spouse rules, but has not been continuously institutionalized since last receiving ALTCS.	Community spouse initial rules are used.
Received ALTCS in the past using community spouse rules, and remained continuously institutionalized	Post-initial rules are used; even when the customer did not get a full 12 months of ALTCS using initial rules.

2) CSRD Standards

The following standards are used in the Community Spouse Resource (CSRD) calculation process. They are Federal standards and generally change annually effective January 1.

	Effective 1/1/14 to 12/31/14	Effective 1/1/15 to 12/31/15	Effective 1/1/16 to 12/31/16
Minimum CSRD	\$23,448.00	\$23,844.00	\$23,844.00

Maximum CSR D	\$117,240.00	\$119,220.00	\$119,220.00
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3) Community Spouse Resource Assessment (CSRA)

Usually, a resource assessment is needed to determine of the value of the couple's resources for the month the customer's first continuous period of institutionalization (FCPI) began. .This is called the Community Spouse Resource Assessment (CSRA). The result of the assessment is then used to calculate the Community Spouse Resource Deduction.

Exception:

When the customer is resource eligible in the month of application using the minimum CSR D amount listed in section 2 above, the customer is resource eligible. There is no need to complete a resource assessment. The minimum CSR D amount is used for the Initial Period.

When a CSRA is needed, the steps in the table below are followed:

Step	Action
1	Information is collected about all of the periods of time that the customer has resided in a hospital, nursing facility, residential facility and/or received paid formal HCBS on or after September 30, 1989.
2	The first continuous period of institutionalization (FCPI) is determined.
3	Information and proof is collected about the value of all resources the couple owned in the month the FCPI began.
4	The value of all countable resources are totaled to determine the CSRA amount.

NOTE A customer can have a CSRA done without applying for ALTCS. A CSRA can be requested by the customer, the community spouse or the customer's

representative. For example, a couple thinking about moving to Arizona, may request a CSRA to see if they might qualify before they move.

SEE [HOW TO COMPLETE A COMMUNITY SPOUSE RESOURCE ASSESSMENT](#) AND [RESOURCE ASSESSMENT NOTIFICATION](#) FOR INSTRUCTIONS.

4) How to calculate the CSRD

When a CSRA was needed, the steps in the table below describe how it is used to calculate the customer's actual allowed CSRD:

Step	Action
1	Divide the CSRA amount by 2 to calculate the spouse's share of the resources.
2	<p>Compare the spouse's share from Step 1 to the Maximum CSRD amount (MA707.2)</p> <ul style="list-style-type: none"> • If the Maximum CSRD is less than the spouse's share of the resources, STOP. The Maximum CSRD amount is allowed. • If the Maximum CSRD is more than the spouse's share of the resources, continue to Step 3.
3	<p>Compare the spouse's share from Step 1 to the Minimum CSRD amount (MA707.2)</p> <ul style="list-style-type: none"> • If the Minimum CSRD is more than the spouse's share of the resources, the Minimum CSRD amount is allowed. • If the Minimum CSRD is less than the spouse's share of the resources, the spouse's share of the resources is allowed.

See [Community Spouse Resource Deduction](#) for examples.

NOTE Since resource policy varies from state to state, a resource assessment or determination from another state cannot be used for eligibility in Arizona.

IN CERTAIN SITUATIONS THE CALCULATED CSRD IS NOT USED. FOR MORE INFORMATION, SEE [EXCEPTIONS TO THE CALCULATED CSRD](#).

5) Using the CSRD for Later Applications

Once a customer's Community Spouse Resource Deduction (CSRD) is determined, that amount is used for all later applications when initial rules are applied, with one exception.

The Minimum and Maximum CSRD amounts can increase from year to year. If the customer qualified for the Minimum or Maximum CSRD originally and applies again later, the Minimum or Maximum CSRD in effect for the month of the later application is used.

6) Undue Hardship Exception

If Community Spouse rules are used and the customer's countable resources are over the resource limit, the customer may still qualify for ALTCS when it is determined that denying the customer would cause an undue hardship.

All of the following must be met to qualify under the undue hardship rules:

- Except for resources, the customer meets all of the ALTCS requirements;
- The applicant is unable to get medical care without these benefits;
- The property is legally unavailable without the signature of the community spouse, and the community spouse has refused to make the property available to the applicant; and
- There has been a break in marital ties.

7) Post-Initial Rules

Post-initial rules are used to determine resource eligibility when the initial rules have ended. When post-initial rules are used:

- The Community Spouse Resource Deduction (CSRD) is not used;
- None of the resources of the community spouse are considered available to the customer; and
- The resources of the customer are compared to the individual resource limit.

NOTE If the Community Spouse later transfers resources that are their sole property, it does not affect the customer's eligibility. However, if the community spouse applies for ALTCS in the future, the transfers may affect the spouse's eligibility at that time.

8) How to Calculate Community Spouse Resource Eligibility

How resource eligibility is determined for a customer with a Community Spouse depends on whether Initial Rules or Post-Initial Rules are being used.

Community Spouse Resource Calculation – Initial Rules

Determine the customer's resource eligibility using initial rules as follows:

Step	Action
1	Total the counted resources owned by the customer and community spouse.
2	Subtract the amount of the couple's CSRD.
3	Compare the remainder to the ALTCS resource limit for a single person of \$2,000.

See [Initial Rules Calculation](#) for an example.

Community Spouse Resource Calculation – Post-Initial Rules

Determine the customer's resource eligibility using Post-initial rules as follows:

Step	Action
1	Total the counted resources owned by the customer. Do not include any resources that are only in the Community Spouse's name
2	Compare the total to the ALTCS resource limit for a single person of \$2,000.

See [Post-Initial Rules Calculation](#) for an example.

Definitions

Term	Definition

Break in marital ties	<p>The customer and the community spouse are physically separated and one of the following is met:</p> <ul style="list-style-type: none"> • A dissolution or annulment petition has been filed in court, even though a final decree has not been entered yet; or • The customer and the community spouse have entered into a court-approved legal separation agreement. <p>NOTE When one spouse is temporarily absent due to being in the hospital or an institution, on vacation, visiting, or away from home for work or education, it is not a break in marital ties</p>
First Continuous Period of Institutionalization (FCPI)	<p>The first continuous period of 30 days or more beginning on or after September 30, 1989 that the customer:</p> <ul style="list-style-type: none"> • Was in a medical institution; • Received paid formal HCBS; or • Received a combination of medical institutionalization and HCBS. <p><u>Exception:</u></p> <p>If a customer does not have any prior continuous periods of institutionalization, but intends to receive HCBS, then an FCPI can be established by being determined medically eligible by a Resource Assessment Medical Evaluation or a Pre-Admission Screening (PAS). In this case the FCPI begins with the month of application or resource assessment.</p> <p>See Establishing the FCPI for an example.</p> <p>NOTE When an ALTCS customer marries a person who lives in the community, the FCPI begins the month the couple was married.</p> <p>FOR MORE DETAILS, SEE HOW TO ESTABLISH THE FCPI.</p>

	Nursing facilities, hospitals, psychiatric hospitals and residential treatment centers.
Paid Formal HCBS	<p>Services that meet all of the following:</p> <ul style="list-style-type: none"> ● Provided by a licensed or certified person or entity that contracted with the customer to provide the services; ● Covered by ALTCS (including care in a residential facility) and paid for by the customer, the customer's insurance or another person on behalf of the customer; ● Prevented the customer from being institutionalized. The customer must have required the level of care provided in a medical institution, as determined by the AHCCCS PAS Assessor; ● Were not provided by the customer's spouse, or, if the customer is a minor child, parent;

Proof

The proof needed for Community Spouse resource budgeting depends on the specific policy.

1) Resource value

Proof of the value of all resources currently owned by the customer and community spouse is needed to determine current resource eligibility. If not eligible using the Minimum CSR, the customer will also need to provide proof of the value of resources the couple owned during the month the FCPI began.

If the customer has a copy of a resource assessment completed in another other state, this document is acceptable proof of the resources the customer owned at the time the assessment was done. However, more proof may be needed if a different FCPI is determined or the value of a resource if it is determined differently based on Arizona policy. A copy of the resource assessment completed in the other state and all related documentation must be provided. Otherwise, for proof of resource values, see the proof section for that resource type in [MA705](#).

2) Post-Initial period resource value

The customer must provide proof of the value of the resources remaining in his or her name. Proof of the value of resources in the community spouse's name is not needed for the post-

initial eligibility determination. However, proof may be needed that the resources were transferred to the community spouse and not to another person.

3) FCPI determination

The customer must provide the following proof to establish the FCPI, and that it began on or after September 30, 1989:

- Medical institution admission and discharge dates;
- Proof of formal HCBS received and when. This includes proof that the person providing the services was licensed or certified to do so, and that the services were paid.

4) Undue Hardship

The customer must provide proof to support claim that a resource is legally unavailable without the spouse's signature and that the spouse refuses to make the resource available. This may include:

- Court documents,
- Titles or deeds,
- Spouse's signed statement (for refusal to make the resource available),
- Contracts or other documents that support the customer's claim.

Proof of a break in marital ties includes:

- A dissolution or annulment petition that has been filed with the court; or
- A copy of a court approved Legal Separation Agreement.

Program and Legal Authorities

Program	Legal Authorities
ALTCS	42 USC 1382b

42 USC 1396r-5(c)

AAC R9-28-410



Effective Until 01/19/2017