

## **Table of Contents**

**State/Territory Name: Illinois**

**State Plan Amendment (SPA) #:12-015**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
233 North Michigan Avenue, Suite 600  
Chicago, Illinois 60601-5519



April 6, 2015

Felicia F. Norwood, Director  
Illinois Department of Healthcare and Family Services (HFS)  
Prescott E. Bloom Building  
201 South Grand Avenue East  
Springfield, Illinois 62763-0001

ATTN: Theresa Eagleson

RE: TN 12-015

Dear Ms. Norwood:

Enclosed for your records is an approved copy of the following State Plan Amendment (SPA).

Transmittal #12-015 - Approves Illinois' request to revise the community spouse allowance, the community spouse income standard, the home equity limit, resource exemptions as well as the begin date of the penalty period.

--Effective Date: January 1, 2014

If you have any questions, please have a member of your staff contact Courtenay Savage at (312) 353-3721 or by email at [Courtenay.Savage@cms.hhs.gov](mailto:Courtenay.Savage@cms.hhs.gov).

Sincerely,

/s/

Alan Freund  
Acting Associate Regional Administrator  
Division of Medicaid and Children's Health Operations

Enclosure

cc: Jacquetta Ellinger, HFS  
Pat Curtis, HFS  
Mary Doran, HFS  
Teresa Hursey, HFS  
Sara Barger, HFS

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	<b>1. TRANSMITTAL NUMBER</b> <b>12.015</b>	<b>2. STATE:</b> <b>ILLINOIS</b>
	<b>3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)</b>	
<b>TO: REGIONAL ADMINISTRATOR</b> <b>CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b> <b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	<b>4. PROPOSED EFFECTIVE DATE</b> <b>July 1, 2012</b> January 1, 2014 <small>Pen and ink change authorized 3/23/15. cs.</small>	

5. TYPE OF PLAN MATERIAL (*Check One*)

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

<b>6. FEDERAL STATUTE/REGULATION CITATION</b> <b>Deficit Reduction Act of 2005, 1902, 1917</b>	<b>7. FEDERAL BUDGET IMPACT</b> a. FFY <u>2012</u> 2014 \$ <u>-375,000</u> <small>Pen and ink change authorized 4/3/15. cs.</small> b. FFY <u>2013</u> 2015 \$ <u>-1,500,000</u>
<b>8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:</b> Attachment 2.6-A, pg. 5a; Supplement 8b to Attachment 2.6-A, pg. 1; Supplement 9 to Attachment 2.6-A, pg. 2; <del>Supplement 17 to Attachment 2.6-A, pg. 1.</del> <small>Pen and ink change authorized 3/23/15. cs.</small> <del>Supplement 15 to Attachment 2.6-A, pg. 1.</del> Supplement 8c to Attachment 2.6-A, pg. 1 and 2 <small>authorized 3/23/15. cs.</small>	<b>9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>):</b> Supplement 8b to Attachment 2.6-A, pg. 1; Supplement 9 to Attachment 2.6-A, pg. 2. <small>Attachment 2.6-A, pg. 5a; Supplement 9 to Attachment 2.6-A, pg. 2 Supplement 15 to Attachment 2.6-A, pg. 1</small> <small>Pen and ink change authorized 3/23/15. cs.</small> New Pages

**10. SUBJECT OF AMENDMENT**  
Implement provisions of the Deficit Reduction Act of 2005.

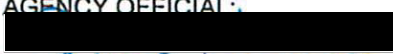
11. GOVERNOR'S REVIEW (*Check One*)

GOVERNOR'S OFFICE REPORTED NO COMMENT

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED  
Not submitted for review by prior approval.

<b>12. SIGNATURE OF AGENCY OFFICIAL:</b> 	<b>16. RETURN TO</b>  <b>ILLINOIS DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES</b> <b>607 EAST ADAMS STREET, 6<sup>th</sup> Floor</b> <b>SPRINGFIELD, IL 62701</b> <b>ATTENTION: Pat Curtis, Chief</b> <b>Bur. of Medical Eligibility &amp; Special Programs</b>
<b>13. TYPED NAME</b> Julie Hamos	
<b>14. TITLE</b> DIRECTOR	
<b>15. DATE SUBMITTED</b> September 25, 2012	

FOR REGIONAL OFFICE USE ONLY

<b>17. DATE RECEIVED:</b> 09/25/12	<b>18. DATE APPROVED:</b> 04/06/15
<b>PLAN APPROVED - ONE COPY ATTACHED</b>	
<b>19. EFFECTIVE DATE OF APPROVED MATERIAL:</b> 01/01/14	<b>20. SIGNATURE OF REGIONAL OFFICIAL:</b> /s/
<b>21. TYPED NAME</b> Alan Freund	<b>22. TITLE:</b> Acting Associate Regional Administrator
<b>23. REMARKS:</b>	

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

## ELIGIBILITY CONDITIONS AND REQUIREMENTS

7. Maintenance standards for community spouses and other dependent family members used to calculate monthly income allowances under Section 1924 of the Act.
- a. Community Spouses
1. A standard based on the formula contained in Section 1924(d) is used.
2. The maximum standard contained in Section 1924(d)(3)(C).
3. A fixed standard which is greater than the minimum standard described in Section 1924(d) plus actual shelter costs not to exceed the maximum standard contained in Section 1924(d)(3)(C). The standard used is \$\_\_\_\_\_.
4. The higher of the 2010 maximum income standard in Section 1924 (\$2,739) or the minimum income amount from Section 1924(d)(3) as adjusted annually under Section 1924(g). Resources shall be allowed at the higher of the 2010 maximum resource standard (\$109,560) in Section 1924 or the minimum resource amount from Section 1924(f)(2)(A)(i) as adjusted annually under Section 1924(g).
- b. Other family members who are dependent
1. A standard based on the formula contained in Section 1924(d)(1)(C) is used.
2. A fixed standard greater than the amount which would be used if the formula described in Section 1924(d)(1)(C) were used. The standard used is \_\_\_\_\_.
- c. The standards described above are used for individuals receiving home and community-based waiver services in lieu of services provided in a medical or remedial care institution.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

MORE LIBERAL METHODS OF TREATING RESOURCES  
UNDER SECTION 1902(r)(2) OF THE ACT

Section 1902(f) State       Non-Section 1902(f) State

- ~~1. Any resource necessary for self support is exempted.~~
- ~~2. Resources derived under the provisions of the Illinois "Senior Citizens and Disabled Persons Property Tax Relief Act" are exempted.~~
- ~~3. Resources equal to the benefits paid by an Illinois Partnership Insurance Policy are disregarded. An Illinois Partnership Policy pays for:
  - long term care services available under the Illinois Medicaid plan, including care in a licensed nursing facility, home health nursing and home health aid services provided by a licensed home health agency, and speech, occupational, and physical therapy and medical transportation;
  - long term care services covered under the Medicaid home and community-based services waivers for the aged, the disabled, and HIV/AIDS victims;
  - other alternate services which are deemed by the Illinois Department of Healthcare and Family Services as essential to prevent institutionalization and offered by appropriately licensed or approved providers.~~

~~To qualify for the disregard the patient must score fifteen or more points on Part A of the Determination of Need and at least ten of which may be scored on the Mini-Mental State Exams.~~

~~Long term care facility services must be provided in a Medicaid participating facility.~~

~~Home and community-based services and /or alternate services must be specified in a written individualized plan of care developed by a state designated case management agency. The plan must specify the type and frequency of services, the service providers and the cost of services.~~

~~The disregarded resource is subject to Medicaid estate recoveries under section 1917(b)(1)(c)(i) of the Act.~~

~~The transfer of the disregarded resource is not subject to evaluation under the transfer of assets provision of section 1917(a)(1) of the Act.~~

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

STATE LONG-TERM CARE INSURANCE PARTNERSHIP

1902(r)(2)  
1917(b)(1)(C)

The following more liberal methodology applies to individuals who are eligible for medical assistance under one of the following eligibility groups:

An individual who is a beneficiary under a long-term care insurance policy that meets the requirements of a “qualified State long-term care insurance partnership” policy (partnership policy) as set forth below, is given a resource disregard as described in this amendment. The amount of the disregard is equal to the amount of the insurance benefit payments made to or on behalf of the individual. The term “long-term care insurance policy” includes a certificate issued under a group insurance contract.

X

The State Medicaid Agency (Agency) stipulates that the following requirements will be satisfied in order for a long-term care policy to qualify for a disregard. Where appropriate, the Agency relies on attestations by the State Insurance Commissioner (Commissioner) or other State official charged with regulations and oversight of insurance policies sold in the state, regarding information within the expertise of the State’s Insurance Department.

- The policy is a qualified long-term care insurance policy as defined in section 7702B(b) of the Internal Revenue Code of 1986.
- The policy meets the requirements of the long-term care insurance model regulation and long-term care insurance model Act promulgated by the National Association of Insurance Commissioners (as adopted as of October 2000) as those requirements are set forth in section 1917(b)(5)(A) of the Social Security Act.

STATE PLAN UNDER TITLE XIX OF THE *SOCIAL SECURITY ACT*

State: Illinois

STATE LONG-TERM CARE INSURANCE PARTNERSHIP

- The policy was issued no earlier than the effective date of this State Plan Amendment.
- The insured individual was a resident of a Partnership State when coverage first became effective under the policy. If the policy is later exchanged for a different long-term care policy, the individual was a resident of a Partnership State when coverage under the earliest policy became effective.
- The policy meets the inflation protection requirements set forth in section 1917(b)(1)(C)(iii)(IV) of the Social Security Act.
- The Commissioner requires the issuer of the policy to make regular reports to the Secretary that include notification regarding when benefits provided under the policy have been paid and the amount of such benefits paid, notification regarding when the policy otherwise terminates, and such other information as the Secretary determines may be appropriate to the administration of such partnerships.
- The State does not impose any requirement affecting the terms or benefits of a partnership policy that the state does not also impose on non-partnership policies.
- The State Insurance Department assures that any individual who sells a partnership policy receives training, and demonstrates evidence of an understanding of such policies and how they relate to other public and private coverage of long-term care.
- The Agency provides information and technical assistance to the Insurance Department regarding the training described above.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

TRANSFER OF ASSETS

3. Penalty Date--The beginning date of each penalty period imposed for an uncompensated transfer of assets is the later of:

- the first day of a month during or after which assets have been transferred for less than fair market value;

  x   The State uses the first day of the month in which the assets were transferred

     The State uses the first day of the month after the month in which the assets were transferred

or

- the date on which the individual is eligible for medical assistance under the State plan and is receiving institutional level care services described in paragraphs 1 and 2 that, were it not for the imposition of the penalty period, would be covered by Medicaid;

AND

which does not occur during any other period of ineligibility for services by reason of a transfer of assets penalty.

4. Penalty Period - Institutionalized Individuals--

In determining the penalty for an institutionalized individual, the agency uses:

     the average monthly cost to a private patient of nursing facility services in the State at the time of application;

  x   the average monthly cost to a private patient of nursing facility services in the community in which the individual is institutionalized at the time of application.

5. Penalty Period - Non-institutionalized Individuals--

The agency imposes a penalty period determined by using the same method as is used for an institutionalized individual, including the use of the average monthly cost of nursing facility services;

     imposes a shorter penalty period than would be imposed for institutionalized individuals, as outlined below:



STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

DISQUALIFICATION FOR LONG-TERM CARE ASSISTANCE FOR INDIVIDUALS WITH SUBSTANTIAL HOME EQUITY

1917(f) The State agency denies reimbursement for nursing facility services and other long-term care services covered under the State plan for an individual who does not have a spouse, child under 21 or adult disabled child residing in the individual's home, when the individual's equity interest in the home exceeds the following amount:

\$500,000 (increased by the annual percentage increase in the urban component of the consumer price index beginning with 2011, rounded to the nearest \$1,000).

An amount that exceeds \$500,000 but does not exceed \$750,000 (increased by the annual percentage increase in the urban component of the consumer price index beginning with 2011, rounded to the nearest \$1,000).

The amount chosen by the State is \_\_\_\_\_.

This higher standard applies statewide.

This higher standard does not apply statewide. It only applies in the following areas of the State:

This higher standard applies to all eligibility groups.

This higher standard only applies to the following eligibility groups:

The State has a process under which this limitation will be waived in cases of undue hardship.