

OAST & HOOK

Offices in  
Portsmouth and  
Virginia Beach, Virginia  
Tel: 757-399-7506  
Fax: 757-397-1267  
Web: www.oasthook.com



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Editor  
Sandra L. Smith  
Attorney at Law

## 2007 LONG-TERM CARE SPOUSAL STANDARDS

The Center for Medicare and Medicaid Services (CMS) has announced changes to the Long-term Care Spousal Standards that apply to a community spouse. A community spouse is a person who is not an inpatient in a medical institution or a nursing facility, but is married to a person who is an inpatient in a medical institution or a nursing facility (the institutionalized spouse). The standards that will change in 2007 include, but are not limited to, the Maximum and Minimum Spousal Resource Standards and the Maximum Monthly Maintenance Needs Allowance (MMMNA).

The Protected Resource Allowance (PRA) is the amount of assets that the community spouse is allowed to retain when the institutionalized spouse is eligible for Medicaid. The PRA is the greatest of either 1) the Spousal Share (one-half of the total amount of joint countable assets as of the first day of continuous institutionalization for the institutionalized spouse); or 2) the Maximum Spousal Resource Standard at the time of application; or 3) the amount actually transferred to the community spouse as court-ordered spousal support, or 4) an amount determined at a hearing by the Department of Medical Assistance Services (DMAS). The PRA can be no more than the Maximum Spousal Resource Standard and no less than the Minimum Spousal Resource Standard. The Maximum and Minimum Spousal Resource Standards increase each year based on changes in the Consumer Price Index. On January 1, 2007, the Maximum Spousal Resource Standard will increase by \$2,100 to \$101,640 (the maximum for 2006 is \$99,540). The Minimum Spousal Resource Standard will increase by \$420, from \$19,908 in 2006 to \$20,328 in 2007.

The Spousal Resource Standard is often called the Community Spouse Resource Allowance (CSRA), but technically this is incorrect. According to the Virginia Medicaid Manual, the CSRA is the amount of assets that can be transferred from the institutionalized spouse to the community spouse in order to bring the community spouse's protected assets up to the PRA. For

example, if the total joint countable assets are \$150,000, (and there is no court-ordered spousal support or DMAS hearing amount) the Spousal Share (and thus the PRA) is \$75,000. If the community spouse has \$50,000 in countable assets, and the institutionalized spouse has \$100,000 in countable assets, the amount that can be transferred from the institutionalized spouse to the community spouse (the CSRA) is \$25,000.

The MMMNA has a minimum allowance amount and a maximum allowance amount. The MMMNA for 2006 is \$1,650.00, and this amount will remain as the minimum allowance in 2007. The maximum maintenance needs allowance for 2007 will increase by \$52.00, from \$2,489.00 in 2006 to \$2,541.00 in 2007. The community spouse Shelter Standard for 2006 is \$468.37, and this amount will remain the same in 2007. The standard utility allowances will increase from \$206 to \$229 for households with 1 to 3 members, and it will increase from \$253 to \$283 for households with 4 or more members.

Oast & Hook can assist seniors in determining the effect of these changes on their Medicaid eligibility. Oast & Hook can also help seniors develop integrated plans that include estate planning, long-term care planning, and financial planning.

### **Oast & Hook**

Oast & Hook is an elder law firm. We represent older persons, disabled persons, their families, and their advocates. The practice of elder law includes estate planning, investment and insurance advice, estate and trust administration, powers of attorney, advance medical directives, titling of assets and designations of beneficiaries, guardianships, conservatorships, and public entitlements such as Medicaid, Medicare, Social Security, and SSI, disability planning, income tax planning and preparation, bill paying, account management and reporting, care management, and fiduciary services. We also handle litigation involving these issues, such as will contests and estate administration disputes. For more information about Oast & Hook, please visit our website at [www.oasthook.com](http://www.oasthook.com).

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