



DEPARTMENT OF HEALTH & HUMAN SERVICES

Region IV
Health Care Financing
Administration

Refer to: DMSO/~~XXXXXXXX~~ TRUST:JR

Atlanta Federal Center
61 Forsyth Street, SW, Suite 4T
Atlanta, Georgia 30303-3509

February 4, 1999

Ms. Lynn Raichelson
Children and Family Services
Economic Self-Sufficiency Services
1317 Winewood Boulevard
Tallahassee, Florida 32399-0700

Dear Ms. Raichelson:

This letter is a result of your letter to Eugene Grasser requesting a clarification of Medicaid policy regarding treatment of income associated with a "special needs trust" established for Mr. ~~XXXXXXXXXX~~. Our office has reviewed the documentation that you have provided and provide the following comments pertaining to the above mentioned policy.

The policy and guidelines regarding treatment of income in trust for the disabled was issued through HCFA Program Issuance Transmittal Notice MCD-86-94, dated January 13, 1995. This clarification of policy regarding treatment of income for disabled trusts is still applicable. Therefore, the \$10,500, received monthly by the trustee, and paid directly into the exempt trust, cannot be counted as the individual's income nor income considered received by the individual. In addition, this annuity continues to be owned by the insurance company. Based on this information and documentation and following the current Medicaid policy the annuity of \$10,500 should not be counted when determining this individual's patient responsibility.

We apologize for the lengthy delay in responding to your request. If you have any further questions pertaining to this matter, please contact Mr. Johnny S. Reed at (404) 562-7417.

Sincerely,

Eugene A. Grasser
Associate Regional Administrator
Division of Medicaid and State Operations

cc: Margrit S. Bernstein