

Bulletin

November 4, 2008

Minnesota Department of Human Services -- P.O. Box 64941 -- St. Paul, MN 55164-0941

OF INTEREST TO

- County Directors
- Financial Assistance Supervisors and Staff
- Social Services Supervisors and Staff
- Mille Lacs Tribal TANF
- Case Managers
- MinnesotaCare Operations Managers, Supervisors and Workers
- County Attorneys
- County Collection Officers

ACTION/DUE DATE

Please follow the policy in this bulletin effective immediately.

EXPIRATION DATE

November 4, 2010

Correction to Bulletin #08-21-04, Changes in Treatment of Annuities for Medical Assistance (MA) Payment of Long-Term Care (LTC) Services Eligibility and Benefit Recovery Announced

TOPIC

Correction in bulletin #08-21-04 regarding information provided for when to name DHS as a preferred remainder beneficiary.

PURPOSE

To correct information in bulletin #08-21-04, Changes in the Treatment of Annuities for Medical Assistance (MA) Payment of Long-term Care (LTC) Services Eligibility and Benefit Recovery Announced, on naming DHS a preferred remainder beneficiary.

CONTACT

Counties and tribal agencies should submit policy questions to HealthQuest.

All others should direct questions to:

Health Care Eligibility and Access (HCEA) Division
P.O. Box 64989
540 Cedar Street
St. Paul, MN 55164-0989

SIGNED

BRIAN J. OSBERG
Assistant Commissioner
Health Care Administration

I. Background

The Minnesota Department of Human Services (DHS) issued bulletin #08-21-04, Changes in the Treatment of Annuities for Medical Assistance (MA) Payment of Long-term Care (LTC) Services Eligibility and Benefit Recovery Announced, on May 27, 2008. There is an error in that bulletin related to the policy on naming DHS a preferred remainder beneficiary of certain annuities.

II. Policy Clarification

Bulletin #08-21-04 states that DHS is a secondary beneficiary to a child under age 21, in addition to a spouse and disabled adult child. The correct policy is that DHS is a secondary beneficiary to a child under age 18, as well as to a disabled child of any age.

A. Incorrect information

Bulletin #08-21-04, page 10, Section C. Requirement 2: Naming DHS a Preferred Remainder Beneficiary, 2. New Policy, incorrectly states:

“If the client’s spouse, **child under 21, or a disabled adult child** (based upon the criteria of the Supplemental Security Income (SSI) program) is named a beneficiary under the annuity and is alive at the time the death benefit is payable, DHS is a secondary beneficiary to such individuals.”

B. Correct information

Bulletin #08-21-04, Page 10, Section C. Requirement 2: Naming DHS a Preferred Remainder Beneficiary, 2. New Policy, **should** state:

“When an individual requests MA payment of LTC services, the individual and/or the individual’s spouse must name DHS as a preferred remainder beneficiary of their annuity if an annuity transaction occurred on or after February 8, 2006, and within the individual’s lookback period. See Section A.8 above for the definition of “annuity transaction.”

As the preferred remainder beneficiary, DHS may receive up to the total amount of MA paid on behalf of the individual and/or the individual’s spouse when a death benefit becomes payable under the terms of the annuity contract.

If the client’s spouse, **child under 18, or a disabled child of any age** (based upon the criteria of the Supplemental Security Income (SSI) program) is named a beneficiary under the annuity and is alive at the time the death benefit is payable, DHS is a secondary beneficiary to such individuals.”

III. Action Required

A. Policy correction

This correction does not require any action. A person requesting MA payment of LTC services who owns, or has a spouse who owns an annuity must complete and sign an Annuity Beneficiary Designation Form (DHS-5036 or DHS-5036A). These forms correctly identify children who are primary beneficiaries ahead of DHS and name DHS as the preferred remainder beneficiary for the annuity.

B. Annuity Forms Updated

The forms related to designating a beneficiary have minor updates in the DHS (Beneficiary) contact information only. The phone options have changed and the Federal Employer Identification Number (FEIN) was added. The updated forms are available on eDocs.

Begin using the October 2008 versions of the following forms immediately:

- Annuity Beneficiary Designation Form – Annuity Owner Seeking Payment of Long-Term Care Services (DHS-5036, 10-08).
- Annuity Beneficiary Designation Form – Annuity Owner is the Spouse of Person Seeking Payment of Long-Term Care Services (DHS-5036A, 10-08).
- Issuer of Annuity Notice of Obligation (DHS-5037, 10-08).

IV. Special Needs

This information is available in other forms to people with disabilities by contacting us at (651) 431-2283 or toll free at (800) 938-3224 or through the Minnesota Relay Service at (800) 627-3529 (TDD), 711 or (877) 627-3848 (speech to speech relay service).