

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
09-005

2. STATE  
Indiana

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
April 1, 2009

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*)

6. FEDERAL STATUTE/REGULATION CITATION:  
Deficit Reduction Act (DRA) of 2005 (P. L. 109-171)

7. FEDERAL BUDGET IMPACT:  
a. FFY 2009      \$ 0  
b. FFY 2010      \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement 8b to Attachment 2.6-A, Pages 2-2a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*):

Supplement 8b to Attachment 2.6-A, Pages 2-2a

10. SUBJECT OF AMENDMENT:

Provides reciprocity with other states relative to the long term care insurance program.

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:

**Indiana's Medicaid State Plan does not require the  
Governor's review. See Section 7.4 of the State Plan**

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: Patricia Casanova

14. TITLE: Interim Medicaid Director

15. DATE SUBMITTED: June 29, 2009

16. RETURN TO: *PC*  
Patricia Casanova  
Interim Medicaid Director  
Indiana Office of Medicaid Policy and Planning  
402 West Washington Street, Room W382  
Indianapolis, IN 46204  
ATTN: Bridget McLaughlin, State Plan Coordinator

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: 6-29-09

18. DATE APPROVED: AUG 03 2009

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
04-01-09

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: Verlon Johnson

22. TITLE: *U*  
Associate Regional Administrator

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Indiana

II. Consideration of Resources Invested in Qualified Term Care Insurance

Eligibility Groups covered:

Aged and Disabled-Section 1902 (f) of the Social Security Act, 42 CFR 435.121

Qualified Medicare Beneficiary-Section 1902 (a) (10) (E) of the Social Security Act

- A. A resource disregard in the amount specified in Item B below is given to an individual who has purchased a qualified long term care insurance policy as defined in Indiana Code 12-15-39.6, or a long term care insurance policy issued in another state including both original partnership states that have entered into a reciprocal agreement with Indiana pursuant to Indiana Code 12-15-39.6-13 and Section 1917(b)(1)(c) of the Social Security Act and New Partnership States authorized under Section 6021 of Public Law 109-171, is such long term Care insurance policy is covered under the reciprocity agreement and has used such policy to pay long term care services in a setting other than an acute wing of a hospital.

Effective April 1, 2009, Indiana shall accept all of the reciprocity standards promulgated pursuant to Section 6021(b) of Public Law 109-171 with respect to all other states agreeing to participate under such reciprocity standards.

If an individual is entitled to a resource disregard under this provision, the individual's resources that are subject to the disregard are also disregarded in determining the eligibility of the individual's spouse or minor child, if the individual's resources would otherwise be considered in determining eligibility for the spouse or child. In determining eligibility for the spouse or child, the disregard applies to the following:

- (1) All resources in the sole name of the individual;
- (2) All ownership interest in resources held jointly with someone other than the Medicaid applicant; and
- (3) Fifty percent (50%) of all resources jointly held with the Medicaid applicant.

- B. The amount of the disregard is equal to the following:

- (1) For individuals who purchase less than the State set dollar amount\* of qualified insurance policy benefits, the amount of the disregard is equal to the amount of payments made under the insurance policy.
- (2) For individuals who purchase the State Set dollar amount\* or more of qualified insurance policy benefits, the amount of the disregard is equal to all of the individual's resources once the insurance policy benefits have been exhausted.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
State: Indiana

- (3) For individuals who purchase a long term care insurance policy in another state and such policy is covered under a reciprocal agreement defined in Item A above, the amount of the disregard is equal to the amount of payments made under the insurance policy.
- C. The phrase "State set dollar amount" used in Item B above is equal to \$140,000 in calendar year 1998 and increases by 5% compounded each calendar year, rounded to the nearest one dollar (i.e. year 1999 = \$147,000; year 2000 = \$154,350, year 2001 = \$162,068; etc.). In Indiana, \$140,000 equals approximately 3.7 years of nursing home care at the average daily private pay rate of \$103 per day computed in 1997.
- D. Such disregard is in effect for the lifetime of the individual who has purchased the long term care insurance policy and used the policy to pay for long term care services.
- E. Resources disregarded under this provision are not subject to recovery of medical payments made on behalf of the individual.

TN No. 09-005  
Supersedes  
TN No. 02-020

Approval Date AUG 03 2009

Effective Date April 1, 2009