

## **Table of Contents**

**State/Territory Name:** Vermont

**State Plan Amendment (SPA) #:** 16-0002

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
JFK Federal Building, Government Center  
Room 2275  
Boston, Massachusetts 02203



**Division of Medicaid and Children's Health Operations / Boston Regional Office**

August 7, 2017

Al Gobeille, Secretary  
Vermont Agency of Human Services  
280 State Drive  
Waterbury, Vermont 05671-1010

Dear Secretary Gobeille:

Enclosed is a copy of approved State plan amendment (SPA) No. 16-0002 with an effective date of January 1, 2018, as requested by your Agency.

This SPA transmitted a proposed amendment to your approved Title XIX State plan to expand eligibility for the Medicaid for Working People with Disabilities (MWPD) program by disregarding certain types of income and by increasing the resource limits.

If there are questions, please contact Robert Cruz at (617) 565-1257.


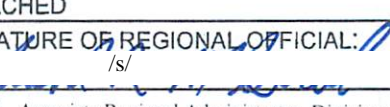
Sincerely,

/s/

Richard R. McGreal  
Associate Regional Administrator

Enclosure

cc: Cory Gustafson, Commissioner  
Dylan Frazer, Health Programs Administrator, Policy Unit

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER:  16-0002	2. STATE:  VERMONT
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
5. TYPE OF PLAN MATERIAL (CHECK ONE):  <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT ( <i>Separate Transmittal for each amendment</i> )		4. PROPOSED EFFECTIVE DATE(S) January 1, 2018	
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR §430.12(c)(1)(ii)	7. FEDERAL BUDGET IMPACT: a. FFY 2017      \$ 0 b. FFY 2018      \$ 234,020		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  ATT. 2.6-A SUPPLEMENT 8A PG 2; ATT. 2.6-A SUPPLEMENT 8B PG 2	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> )  ATT. 2.6-A SUPPLEMENT 8A PG 2; ATT. 2.6-A SUPPLEMENT 8B PG 2		
10. SUBJECT OF AMENDMENT: Medicaid for Working People with Disabilities Eligibility Expansion			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED SIGNATURE OF SECRETARY OF ADMINISTRATION <div style="text-align: center;">/s/ </div>	
12. SIGNATURE OF STATE AGENCY OFFICIAL:  <div style="text-align: center;">/s/</div>		16. RETURN TO:  DYLAN FRAZER  AGENCY OF HUMAN SERVICES 280 STATE DRIVE, CENTER BUILDING WATERBURY, VT 05671-1000	
13. TYPED NAME: HAL COHEN		15. DATE SUBMITTED: 9/6/16	
14. TITLE: SECRETARY, AGENCY OF HUMAN SERVICES		17. DATE RECEIVED: 9/6/16	
<b>FOR REGIONAL OFFICE USE ONLY</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1/1/18		18. DATE APPROVED: 8/7/17	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
21. TYPED NAME: Richard R. McGreal		20. SIGNATURE OF REGIONAL OFFICIAL:  <div style="text-align: center;">/s/</div>	
23. REMARKS The state and CMS agreed to the following pen and ink changes to the Form 179: - Changed the proposed effective date in Box 4 from 8/1/16 to 1/1/18 to reflect the anticipated implementation date. - Due to the change in the effective date, the Federal Budget Impact in Box 7 was updated from FFY 2016 - \$0, FFY2017 - \$234,450 to FFY 2017 - \$0, FFY 2018 - \$234,020.		22. TITLE: Associate Regional Administrator, Division of Medicaid and Children's Health Operations, Boston Regional Office	

Revision: HCFA-PM-91-4 (BPD)  
AUGUST 1991

SUPPLEMENT 8a to ATTACHMENT 2.6-A  
Page 2  
OMB No.: 0938-

**OFFICIAL**

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: VERMONT

MORE LIBERAL METHODS OF TREATING INCOME UNDER SECTION 1902(r)(2) OF  
THE ACT\*

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

From January 1 until April 1, the Department will disregard the difference between its estimated Federal poverty levels (FPLs) and the currently approved FPLs as published in the Federal Register. Effective April 1, the Department will issue a second increase if the actual FPLs exceed its estimate. If the department's estimated FPLs issued January 1 are higher than the actual FPLs, the department will continue to disregard the difference between its estimated FPLs and the ones published in the Federal Register.

For working disabled individuals eligible (at 250 percent of the poverty guideline) under 1902(a)(10)(A)(ii)(XIII):

- (1) Disregard all Social Security Disability Insurance benefits (SSDI), including, if applicable, Social Security retirement benefits automatically converted from SSDI.
- (2) Disregard all veteran's disability benefits.
- (3) If married, disregard all income of the working disabled individual's spouse.

\*More liberal methods may not result in exceeding gross income limitations under section 1903(f).

TN No. 16-0002

Supersedes

TN No. 13-0002 MM1

Approval Date: 8/7/17

Effective Date: 1/1/18



STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: VERMONT

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

\* SSI-related Medicaid. (aged, blind and disabled individuals including individuals who are described at 1902(a)(10)(A)(ii), 1902(a)(10)(C)(i)(III) and 1905(p) of the Social Security Act who are not receiving SSI/AABD cash assistance or deemed to be cash assistance recipients.

1. Non exempt real property which is up for sale is excluded as long as owners verify that they are making reasonable efforts to sell it.
  2. Automobiles of any value are excluded.
  3. No limit is placed on the equity value of property used to produce goods for home consumption.
  4. Life estates in real property are excluded when the owner does not retain the power to sell the real property.
  5. Separately identifiable burial funds designated for burial expenses, either singly or in combination, are exempt in an amount not to exceed \$10,000. The burial funds must be designated by the title of the fund or by sworn statement provided to the department. The burial funds in conjunction with the irrevocable burial trust referenced in Supplement 10 to Attachment 2.6-A, page 1, last paragraph, cannot exceed \$10,000 in total.
  6. Annuities, promissory notes, and similar resources that produce income are exempt resources if they would otherwise be countable by SSI as long as they meet the following criteria.
    - (i) Annuities are not a countable resource if they: have no beneficiary other than an individual requesting Medicaid or his or her spouse; and provide for payments to applicants or their spouses in equal intervals and equal amounts; and do not exceed the life expectancy of the applicants or their spouses, as determined by the department; and return to the beneficiary at least the amount used to establish the contract and any additional payments plus any earnings, as specified in the contract; and do not pay anyone other than the applicant, the applicant's spouse, even if the applicant or spouse dies before the payment period ends. The department will also consider an annuity to meet the requirements above, if the owner of the annuity elects to designate Vermont Medicaid as the primary beneficiary up to the amount of long-term care payments it made, and names a contingent beneficiary other than the applicant or spouse to receive any surplus after Vermont Medicaid is paid.
    - (ii) Promissory notes and similar resources that produce income are not a countable resource if: (1) they meet the requirements in subsection (i) above, or (2) the individual owned a nonnegotiable or nonassignable promissory note executed before September 1, 2005 and the individual or spouse can expect to receive the full fair market value of the resource within the expected lifetime of the individual or spouse, as determined by the department.
  7. Resources set aside in a separate bank account in the name of the Medicaid beneficiary are exempt in an amount not to exceed \$30,000. The funds may only be spent on medical care, assistive technology devices or home modifications not covered by Medicare, private insurance or Medicaid. They must be found to be reasonable and necessary to assist an individual in achieving or maintaining independent living. Up to \$500 per month of these resources may be spent for medical care and assistive technology devices. A one time expenditure of up to \$7,500 of these resources may be spent for home modifications.
- \*For qualified children eligible (using AFDC income and asset requirements) under 1902(a)(10)(A)(i)(III)
1. Disregard all assets.
- \*BBA Work Incentive Eligibility Group (1902(a)(10)(A)(ii)(XIII)):
1. Savings from excluded income are excluded.
  2. An additional \$8,000 in resources is disregarded for individuals; \$12,000 for couples.