

LUMP SUM INCOME

0911.09.23

See §0902.21 (Glossary: Insurance...) for a definition of lump sums.

MinnesotaCare:

Exclude lump sum income. See §0911.05.03 (Excluded Income--Program Provisions).

Minnesota Rule 9505.0065 subp. 3b

MA/GAMC:

See §0911.09.15.05 (Lump Sum RSDI and SSI Payments) for instructions on treatment of lump sum retroactive payments from the Social Security Administration, including Medicare Part B reimbursements.

Treat other lump sums as income in the month received and an asset if retained beyond the month of receipt. **Do not change eligibility or spenddown amounts for previous or current months, or for future months for which you cannot give 10-day notice, based on receipt of an unanticipated lump sum.** Lump sums may affect eligibility after the month of receipt for people who have an asset limit if the lump sum creates excess assets. **Lump sums may also result in termination of eligibility before the end of the 6-month budget period.**

EXAMPLE:

Maria, Lawrence, and their 2 children are eligible for MA without a spenddown for the current certification period of January-June. On May 5, they report they received a \$20,000 insurance settlement on April 25. Recompute eligibility for the current certification period. Terminate MA with a 10-day notice effective June 1 if the lump sum creates a spenddown which the household cannot meet. **Do not change eligibility or spenddown amount for any month before June.**

EXAMPLE:

Brett is eligible for MA with a monthly automated spenddown for the current certification period of July-December. On September 10, he reports he won \$5,000 at a casino in August. It is not possible to increase his August spenddown retroactively. He must reduce assets to within the \$3,000 limit to retain eligibility for October. See §0909.29.03 (Excess Assets--Enrollees).

Count non-excluded lump sums when calculating the spenddown for the month of receipt for people who are eligible using a manual monthly or an LTC spenddown. Adjust the LTC spenddown if a lump sum is reported after the month of receipt.

NOTE:

If the lump sum creates a combination LTC/medical spenddown, adjust the LTC spenddown only. Do not establish a medical spenddown retroactively.

Allow the following deductions from the lump sum:

Costs associated with getting the lump sum, such as attorney's fees.

Any portion of the lump sum earmarked for and used to pay medical expenses not covered by insurance or any Minnesota health care program.

Any portion of the lump sum recovered by Benefit Recovery.

Any portion of the lump sum earmarked for and used to pay funeral and burial costs.

Anticipate recurring income received less often than monthly when determining initial and continuing eligibility.