

5160:1-3-05.8

Medicaid: lump-sum payments.

(A) This rule describes the treatment of lump-sum payments for purposes of determining eligibility for medical assistance.

(B) Definition. "Lump-sum payment" means income which is accrued over two or more months or it is a money payment which is not related to any time period, such as a death benefit or inheritance.

(C) A nonrecurring lump-sum payment is considered unearned income unless otherwise excluded. It is unearned income in the month received and a countable resource in the month following the month of receipt.

(1) The following are some types of lump-sum payments that are considered unearned income:

(a) Gifts, prizes, or awards.

(b) Retirement or pension funds

(c) Judgments and out-of-court settlements.

(d) Proceeds received as the beneficiary of a life insurance policy, including social security lump-sum death benefits.

(e) Workers compensation payments when received as a lump-sum.

(2) The following are some types of lump-sum payments that are considered resources, that are not unearned income:

(a) Income and property tax refunds.

(b) Proceeds received from the surrender or maturing of insurance policies.

(c) Proceeds received for the sale of real property.

(d) Replacement of income that was lost, destroyed or stolen if the original income was used to determine eligibility.

(D) The transfer of a lump sum in the month of receipt or anytime thereafter is subject to the regulations in rule 5160:1-3-07.2 of the Administrative Code relating to transfers of resources.

(E) Retroactive payments from supplemental security income (SSI) or retirement, survivors, disability insurance (RSDI) are unearned income in the month received and excluded as countable resources for six months following the month of receipt. The source, amount, and the date of receipt of the retroactive payment must be verified and the information recorded in the case record.

- (1) As long as the funds from the retroactive payment are not spent, they are excluded for the full six month period. Unspent money must be identifiable from other resources for this exclusion to apply. The money may be commingled with other funds, but if this is done in such a fashion that the retroactive amount can no longer be separately identified, that amount will count toward the resource limit.
- (2) Once the money is spent, this exclusion does not apply to items purchased with the money even if the six month period has not expired. However, other exclusions may apply.
- (F) When a medicaid individual, including a nursing home or home and community-based services waiver (HCBS) individual receives a lump-sum payment, he or she may increase his or her personal property holdings up to the maximums allowed. Then the CDJFS compares the amount received to the amount of medicaid payments made on behalf of the individual.
- (1) If the lump sum is equal to or less than medicaid payments for the individual, the individual is given a choice of either:
- (a) Terminating assistance and reapplying when resources are again within allowable limits; or,
- (b) Repaying the medicaid program for medicaid payments made on his or her behalf in order to preserve continuing medicaid eligibility. The amount paid by medicaid for past care can be recovered only if the individual agrees and if the repayment amount will continue to make him or her eligible for medicaid.
- (2) If the lump sum is in excess of past medicaid payments made on the individual's behalf, the excess amount shall be counted as an available resource. If the amount exceeds the maximum resource limit, the case shall be terminated. In this situation, the individual is not required to use any of the lump sum as repayment of past medicaid payments.
- (G) Lump-sum payments received by an individual that are the result of a medical insurance policy that pays an individual directly rather than the providers for services when the individual is hospitalized or in a long term facility are assignable to the Ohio department of medicaid as reimbursement for past medical care, up to the amount that has been paid by medicaid.

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