

## Change in ALTCS Transfer Policies

When a person transfers assets without compensation in order to qualify for ALTCS, that person is determined to be ineligible for long term care services for a period of time known as a penalty period.

Currently, an uncompensated transfer penalty period is reduced when only a portion of transferred assets is returned. 42 USC 1396p(c)(2)(C) states that a penalty period can be ended only when **ALL** of a transferred asset is returned. Although there is no provision in federal law that allows us to reduce a penalty period when only a portion of transferred assets is returned, it has been a practice in some states including Arizona. Upon receiving clarification from the Centers for Medicare and Medicaid Services (CMS), our policy is being updated to make it consistent with the federal law.

**Therefore, effective with ALTCS applications filed on and after May 1, 2011, uncompensated transfer penalty periods will be reduced and ended only when ALL transferred assets are returned.** Penalty periods will no longer be shortened when only a partial return is made.

**This also applies to active cases with transfers that occur on and after May 1, 2011.**

**NOTE:** This change in policy does not affect or reduce a customer's or representative's right to request an undue hardship waiver to have the penalty period shortened or ended.