STATE OF CONNECTICUT DEPARTMENT OF SOCIAL SERVICES OFFICE OF LEGAL COUNSEL, REGULATIONS AND ADMINISTRATIVE HEARINGS 55 FARMINGTON AVENUE HARTFORD, CT 06105

, 2015 SIGNATURE CONFIRMATION

CLIENT ID #: HEARING ID #: 658242

NOTICE OF DECISION

PARTY

PROCEDURAL BACKGROUND

On, 2014, the Department of Social Services (the "Department") sent (the Appellant) a notice of its decision to impose a penalty against her application for Long Term Care Medicaid benefits because she transferred assets in order to become eligible for Medicaid.
On, 2014,, the Appellant's son-in-law and one of her Powers of Attorney ("POA") requested an administrative hearing to contest the Department's decision to impose a penalty.
On , 2014, the Office of Legal Counsel, Regulations, and Administrative Hearings ("OLCRAH") issued a notice scheduling the administrative hearing for , 2015.
On (2015), in accordance with sections 17b-60, 17b-61 and 4-176e to 4-189, inclusive, of the Connecticut General Statutes, OLCRAH held an administrative hearing.
The following individuals were present at the hearing:
., Counsel for the Appellant , Appellant's granddaughter and power of attorney (" or

"granddaughter")								
,	Appellant's	son-in-law	and	power	of	attorney	("	O
"son-in-law")								
Liza Morais, Depar	tment's repr	esentative						
James Hinckley, He	ea <mark>ring Office</mark>	er						

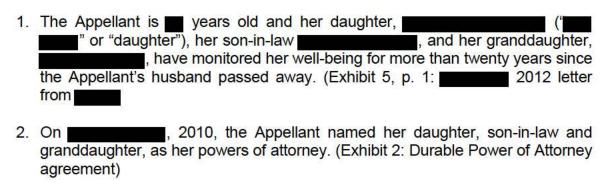
The hearing record remained open for the submission of additional evidence. On 2015, the record closed.

At the hearing, counsel for the Appellant submitted a memorandum of law that was entered as "Appellant's exhibit A, pp. 1-110", and the Department submitted a summary and exhibits numbered 1 through 9. Before the record closed, the Department submitted an addendum to the summary, and additional exhibits that were pre-labeled alphabetically, and were entered as Department's exhibits A though I. Counsel for the Appellant separately submitted "Care Summary, which was entered as Appellant's Exhibit B, and a response to the Department's summary addendum which was entered as Appellant's exhibit C.

STATEMENT OF THE ISSUE

The issue to be determined is whether assets transferred by the Appellant result in a penalty period for Long Term Care Medicaid because the assets were transferred for less than fair market value, or whether the Appellant received compensation for some or all of the transferred assets under the terms of a legally enforceable agreement.

FINDINGS OF FACT



The Agreement

3. On ______, 2010, the Appellant entered into an Employment Services Agreement (the "Agreement") with her daughter, son-in-law and granddaughter. The Agreement refers to the Appellant as the Employer and her daughter, son-in-law and granddaughter as "employees or providers." (Exhibit 3: Employment and Services Agreement)

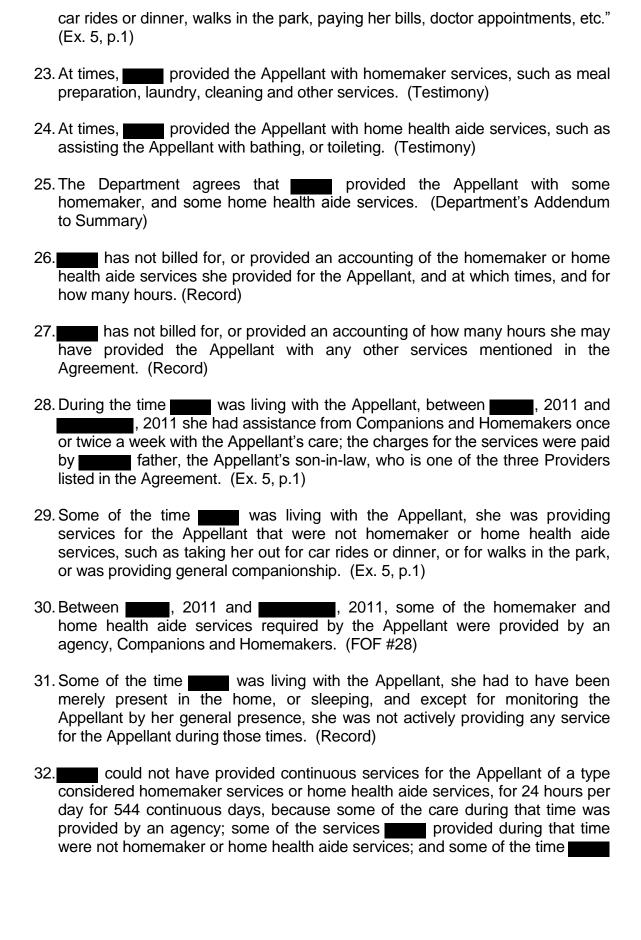
- 4. The Department has reviewed the Agreement and stipulates that it is a legally enforceable agreement. (Testimony, Summary Addendum)
- 5. The Agreement states that it is to "formalize the Agreement regarding past and future personal care services from ________, 2010." There is no ending date to the Agreement. (Ex. 3)
- 6. The Agreement lists eight categories of services that the Appellant's daughter, son-in-law and granddaughter agree to perform, within each of which are listed examples of the duties that fall within the category. The eight categories are "Monitor Health Care", "Secure Health Care", "Personal Needs", "Visitation", "Financial Management", "Deal With Others", "Protection of Resident's Rights", and "Miscellaneous Services". (Ex. 3)
- 7. The "Monitor Health Care" category of the Agreement provides in part that "The Providers shall monitor the Employer's health status, emotional and physical condition with regular communication with healthcare providers..." (Ex. 3)
- 8. The "Secure Health Care" category of the Agreement provides in part that "Providers shall attempt to secure qualified health care professionals..." (Ex. 3)
- 9. The "Personal Needs" category of the Agreement provides that "Providers will periodically assess the personal needs and desires of the Employer as to social, physical, entertainment, hobby, personal hygiene, maintenance of physical appearance and other personal factors and shall seek to arrange for the services of others..." (Ex. 3)
- 10. The "Visitation" category of the Agreement provides that "Providers will periodically and regularly visit with the Employer, wherever Employer shall be, to provide the services required of Providers herein, and to provide social interaction and entertainment and further, will seek visitations of other family and friends of Employer with Employee." (Ex. 3)
- 11. The "Miscellaneous Services" category provides that "Providers have provided and will continue to provide home health care and personal care services for the Employer. In addition, Employees will provide miscellaneous or supplemental services, which include, but are not limited to, assistance with shopping, banking, supervision of medications and acquisition of medications; home or apartment maintenance and repair services; assistance with laundry; preparation of meals as needed; handling routine correspondence; driving; personal care; and day-to-day affairs." (Ex. 3)
- 12. The Agreement provides that "The Employer will compensate the Providers at an hourly rate of \$15.84 per hour for homemaker services, \$23.22 per hour for home health aid services, \$43.10 per hour for registered nurse services and \$30.00 per hour for financial management and home maintenance/repair." (Ex.

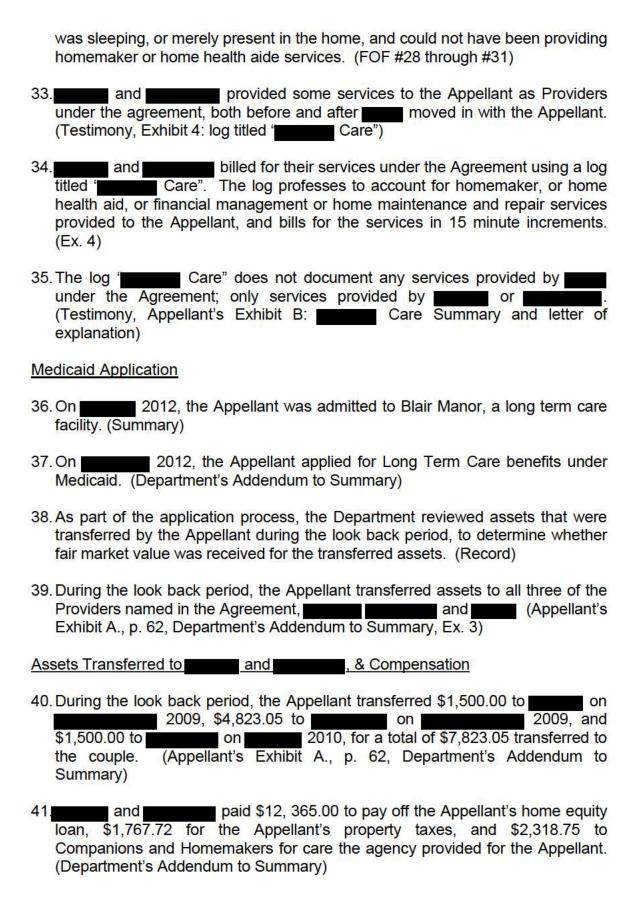
3)

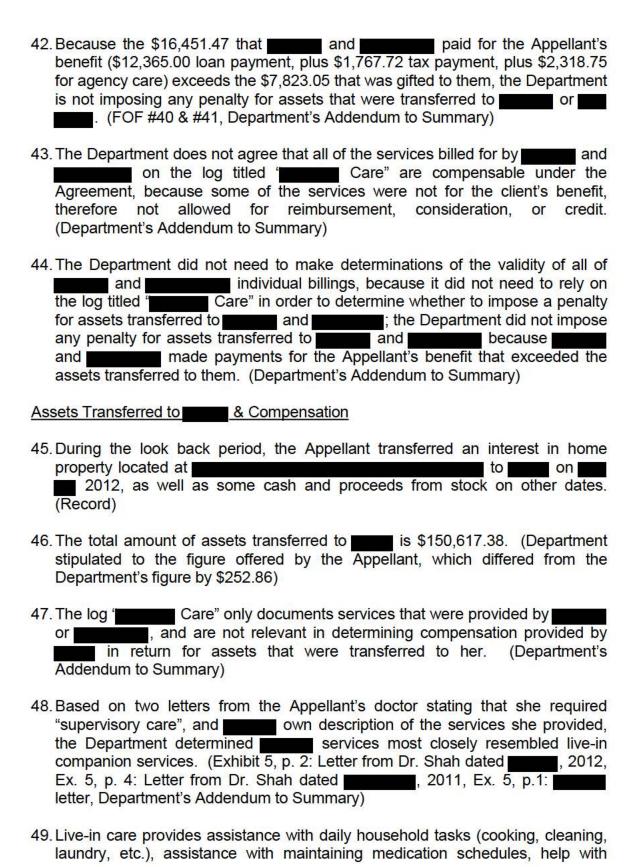
- 13. The Agreement does not contain an hourly rate for how the Providers will be compensated for other services provided for in the Agreement such as visiting with the Appellant; or for taking the Appellant for walks or car rides or otherwise providing for her entertainment; or for taking the Appellant out for restaurant meals. (Ex. 3)
- 14. Even though the Agreement provides for a rate for registered nurse services, there is no evidence that any of the three Providers are qualified to provide registered nurse services. (Record)
- 15. The Agreement specifically states that "It is the intention of the parties that Provider, move in with Employer, move in the primary care-giver. If that is the case, and move needs 24/7 care, then any payments under this agreement, including any monies paid to third party inhome care-givers, shall not exceed \$10,366.00 per month" (Ex. 3)
- 16. The Agreement does not contain a definition of "24/7 care". (Ex. 3)
- 17. The Agreement does not provide for a rate of compensation for "24/7 care". (Ex. 3)

Appellant's Health Status and Care Needs

- 18. As of 2012, the Appellant's mental status had been declining progressively for at least seven years, with symptoms such as forgetfulness and wandering, until the family felt it was necessary for the Appellant to be evaluated by a doctor for his recommendations. (Exhibit 5, p. 1:
- 19. On 2011, a neurologist examined the Appellant and determined that she had Alzheimer's type dementia and that she would require 24 hour supervisory care. (Exhibit 5, p. 4: 2011 from Darshan Shah, M.D.).
- 20. On moved in with the Appellant. (Record)
- 21. lived with the Appellant for a total of 77 weeks and 5 days, or 544 days, between 2011 and 2012. (Record, stipulated by Department)
- 22. asserts in her letter of 2012 that she has been providing 24/7 care for her grandmother for the past eighteen months. In the letter she states the Appellant "can do some personal washing, dressing and could eat her-self; but, I needed to supervise washing to complete proper hygiene and prepare all her meals". She goes on to say "I have been providing her with the activities of daily living (washing, dressing, preparing meals, laundry) and taking her out for







telephone calls and correspondence, round the clock support, end of life care, personal care (bathing, dressing, incontinence care, etc.), social interaction and company. (Department's Exhibit E: Companion & Homemakers description of services provided by live-in companion)

- 50. The Agreement does not provide for a rate for live-in companion care. (Ex. 3)
- 51. The Department researched the cost of live-in companion services, and found one example of 24 hour live-in companion care costing \$150.00 per day. (Exhibit 7: Euro Homecare LLC invoice dated _______, 2012 showing charge for 24 hour live-in care of \$150.00 per day)
- 52. The Department based it's valuation of the cost of live-in care on the rate of only a single agency, and that agency's rate was "one of the lowest out there". (Record, Counsel for the Appellant's testimony)
- 2014, the Department mailed the Appellant a Preliminary Decision Notice, advising her that of the \$150,870.24 transferred to \$69,270.24 would be subject to a transfer of asset penalty, because the fair market value of the services provided by was \$81,600.00. (\$150.00 per day, times 544 days equals \$81,600.00; \$150,870.24 minus \$81,600.00 equals \$69,270.24) (Exhibit 6, pp. 1-2: W-495A Preliminary Decision Notice)
- 54. On 2014, counsel for the Appellant offered a rebuttal to the preliminary decision, arguing that has provided the Appellant with compensation exceeding the total assets that the Appellant transferred to her, by way of the care she provided for the Appellant under the Agreement. (Appellant's Ex. A, pp. 4-5)
- Notice advising her that it has not changed its Preliminary Decision, and that the portion of assets she transferred which is subject to penalty is \$69,270.24, after the total amount of assets she transferred was reduced by the value of compensation she received from through provision of live-in care for 544 days at the rate of \$150.00 per day, which equals \$81,600.00. (Exhibit 6, p. 3: W-495C Final Decision Notice)

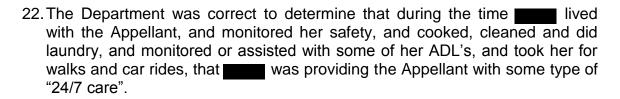
CONCLUSIONS OF LAW

- Section 17b-260 of the Connecticut General Statutes provides that the Department will administer Title XIX of the Social Security Act ("Medicaid") in the State of Connecticut.
- 2. Section 17b-261b(a) of the Connecticut General Statutes provides that the Department "shall be the sole agency to determine eligibility for assistance and

services under programs operated and administered by said department."

- 3. Federal law provides that the "single State agency is responsible for determining eligibility for all individuals applying for or receiving benefits" in the Medicaid program. 42 C.F.R. 431.10(b)(3)
- 4. Subsection (a) of section 17b-261(a) of the Connecticut General Statutes provides that any disposition of property made on behalf of an applicant or recipient by a person authorized to make such disposition pursuant to a power of attorney, or other person so authorized by law shall be attributed to such applicant.
- 4. An applicant is "the individual or individuals for whom assistance is requested." Uniform Policy Manual ("UPM") 1500.01
- 5. The Appellant is the applicant in this matter. Disposition of property by the Appellant's powers of attorney are attributed to the Appellant.
- 6. Subsection (a) of section 17b-261a of the Connecticut General Statutes provides that any transfer or assignment of assets resulting in the imposition of a penalty period "shall be presumed to be made with the intent, on the part of the transferor or transferee, to enable the transferor to obtain or maintain eligibility for medical assistance. This presumption may be rebutted only by clear and convincing evidence that the transferor's eligibility or potential eligibility for medical assistance was not a basis for the transfer or assignment."
- 7. The Department uses the policy contained in Chapter 3029 of the Uniform Policy Manual to evaluate asset transfers if the transfer occurred on or after February 8, 2006. UPM § 3029.03.
- 8. There is a period established, subject to the conditions described in chapter 3029, during which institutionalized individuals are not eligible for certain Medicaid services when they or their spouses dispose of assets for less than fair market value on or after the look-back date specified in UPM 3029.05(C). This period is called the penalty period, or period of ineligibility. UPM § 3029.05(A).
- The look-back date for transfers of assets is the date that is sixty months before the first date on which both the following conditions exist: 1) the individual is institutionalized; and 2) the individual is either applying for or receiving Medicaid. UPM § 3029.05(C).
- 10. The look-back date for the Appellant is 2008.
- 11. Compensation in exchange for a transferred asset is counted in determining whether fair market value was received. UPM § 3029.30.

- 12. Compensation received prior to the time of the transfer is counted if it was received in accordance with a legally enforceable agreement. UPM § 3029.30 (A)
- 13. Each form of compensation is assigned a dollar value to compare with the fair market value of the transferred asset. UPM § 3029.30 (B)
- 14. For homemaker services or home health aide services, the value is the current state minimum hourly wage for such services. UPM § 3029.30 (B)
- 15. For all other services, the value is the actual cost. UPM § 3029.30 (B)
- 16. While could be credited with providing compensation to the Appellant under the terms of the Agreement for however many hours of homemaker or home health aide services she provided the Appellant, at the hourly rates specified for those services, she has not established how many hours of homemaker or home health aide services she provided for the Appellant, so she is not entitled to any such credit under the terms of the Agreement for any of those hourly services she may have provided.
- 17. Any other services besides homemaker and home health aide services that may have provided for the Appellant must be valued by the Department at their actual cost, since only homemaker and home health aide services have values specified in the Department's UPM regulations. UPM § 3029.30 (B)
- 18. has not established how many hours she may have provided the Appellant with other services that are assigned hourly rates in the Agreement, so she is not entitled to any credit for hourly compensation under the Agreement for any of those services.
- 19. The hourly billings for services provided by and and from the log titled "Care" cannot be valued as compensation in exchange for assets that were transferred to only services provided by herself can be considered. UPM § 3029.30
- 20. If ____ can be credited with providing any compensation to the Appellant at all under the terms of the Agreement, it can only be with regard to the provision of "24/7 care" as mentioned in the Agreement.
- 21. The term "24/7 care" is not defined in the Agreement, and does not have a universal, well-understood meaning; while the time period "24/7" can be easily understood, the term "care" does not specify the type or level of care. Because the term is undefined, the Department was correct that it needed to make a determination of whether provided the Appellant with services that could be considered "24/7 care".



- 23. The Agreement does not contain a rate for "24/7 care". Section 9. D) of the Agreement which specifies that "If... needs 24/7 care, then any payments under this agreement, including any monies paid to third party inhome care-givers, shall not exceed \$10,366.00 per month", is only a limit on payment, not a rate of payment.
- 24. The Department was correct that in order to value any compensation provided by under the terms of the Agreement, it had to determine the type of 24/7 care provided, and its actual cost.
- 25. Companion services may include, but are not limited to, the following activities: (A) Escorting an individual to recreational activities or the necessary medical, dental or business appointments; (B) reading to or for an individual; (C) supervising or monitoring an individual during the self-performance of activities of dialing living such as meal preparation and consumption, dressing, personal hygiene, laundry and simple household chores; (D) reminding an individual to take self-administered medications; (E) providing monitoring to ensure the safety of an individual; (F) assisting with telephone calls and written communications; and (G) reporting changes in an individual's needs or condition [Regs. Conn. State Agencies § 17b-342-2(e)(3)]
- 26. Based on the Appellant's doctor's description of the Appellant's need for care; and on description of the care she provided; and on the regulatory definition of companion care; and on the services that a Home Health Agency advertised were included with live-in companion care, the Department was correct to determine that the "24/7 care" provided by most closely resembled that of a 24 hour live-in companion.
- 27. The Department was correct to use the November, 2012 invoice from Euro Homecare LLC, billing \$150.00 per day for 24 hour live-in care, as the basis for determining the actual cost of services; the invoice is representative of what one agency actually charged in 2012 for the same type of 24/7 care that provided during the same time period.
- 28. The total fair market value of all the services provided for the Appellant is: 544 days, multiplied by \$150.00 per day, equals \$81,600.00.
- 29. Since the Appellant received compensation from of \$81,600.00, and

since the compensation was received under the terms of a legally enforceable agreement, the total amount the Appellant transferred to must be reduced by \$81,600.00. The Appellant transferred \$150,870.24 to minus \$81,600.00 that she received in compensation, equals \$69,270.24 that was transferred without compensation. UPM § 3029.30

- 30. The Appellant has not provided clear and convincing evidence to rebut the presumption that the \$69,270.24 transferred to was not made exclusively for a purpose other than to qualify the Appellant for Long Term Care Medicaid.
- 31. The Department was correct to find that the Appellant transferred \$69,270.24 for the purpose of qualifying for Long Term Care Medicaid.
- 32. The length of the penalty period is determined by dividing the total uncompensated value of all assets transferred on or after the look-back date by the average monthly cost to a private patient for long-term care services in Connecticut. Uncompensated values of multiple transfers are added together and the transfers are treated as a single transfer. UPM § 3029.05(F).
- 33. UPM § 3029.05 (E)(2) provides that the penalty period begins as of the later of the following dates: the date on which the individual is eligible for Medicaid under Connecticut's State Plan and would otherwise be eligible for Medicaid payment of the LTC services described in 3029.05 B based on an approved application for such care but for the application of the penalty period, and which is not part of any other period of ineligibility caused by a transfer of assets.
- 34. UPM § 3029.05 (F) provides in part that the length of the penalty period consists of the number of whole and/or partial months resulting from the computation described in 3029.05 F. 2. The length of the penalty period is determined by dividing the total uncompensated value of all assets transferred on or after the look-back date described in 3029.05 C by the average monthly cost to a private patient for LTCF services in Connecticut. For applicants, the average monthly cost for LTCF services is based on the figure as of the month of application.
- 35. The average monthly cost of LTCF services in Connecticut as of the month of the Appellant's application was \$11,183.00.
- 36. The Appellant is subject to a penalty period of 6.19 months after dividing the uncompensated value of the transferred asset by the average monthly cost of LTCF services (\$69,270.24, divided by \$11,183.00).

DISCUSSION

Since the value of compensation received prior to the time an asset is transferred can only be counted if it was received in accordance with a legally enforceable

agreement [UPM 3029.30], the services that provided the Appellant when she lived with her between 2011 and 2012, 2012 could only be considered compensation for the interest in property the Appellant transferred to her on 2012 if the services were provided in accordance with the Agreement.
The only way to credit with providing the Appellant compensation under the terms of the Agreement is to place a value on the "24/7 care" she provided, and the Department made a fair and well supported determination of the actual type of care provided, and also a reasonable determination of its actual cost.
DECISION
The Appellant's appeal is <u>DENIED.</u>

James Hinckley Hearing Officer

CC:

Musa Mohamud, SSOM, Hartford Elizabeth Thomas, SSOM, Hartford

RIGHT TO REQUEST RECONSIDERATION

The appellant has the right to file a written reconsideration request within **15** days of the mailing date of the decision on the grounds there was an error of fact or law, new evidence has been discovered or other good cause exists. If the request for reconsideration is granted, the appellant will be notified within 25 days of the request date. No response within 25 days means that the request for reconsideration has been denied. The right to request a reconsideration is based on §4-181a (a) of the Connecticut General Statutes.

Reconsideration requests should include <u>specific</u> grounds for the request: for example, indicate <u>what</u> error of fact or law, <u>what</u> new evidence, or <u>what</u> other good cause exists.

Reconsideration requests should be sent to: Department of Social Services, Director, Office of Administrative Hearings and Appeals, 55 Farmington Avenue, Hartford, CT 06105-3725.

RIGHT TO APPEAL

The appellant has the right to appeal this decision to Superior Court within 45 days of the mailing of this decision, or 45 days after the agency denies a petition for reconsideration of this decision, provided that the petition for reconsideration was filed timely with the Department. The right to appeal is based on §4-183 of the Connecticut General Statutes. To appeal, a petition must be filed at Superior Court. A copy of the petition must be served upon the Office of the Attorney General, 55 Elm Street, Hartford, CT 06106 or the Commissioner of the Department of Social Services, 55 Farmington Avenue, Hartford, CT 06105. A copy of the petition must also be served on all parties to the hearing.

The 45 day appeal period may be extended in certain instances if there is good cause. The extension request must be filed with the Commissioner of the Department of Social Services in writing no later than 90 days from the mailing of the decision. Good cause circumstances are evaluated by the Commissioner or the Commissioner's designee in accordance with §17b-61 of the Connecticut General Statutes. The Agency's decision to grant an extension is final and is not subject to review or appeal.

The appeal should be filed with the clerk of the Superior Court in the Judicial District of New Britain or the Judicial District in which the appellant resides.