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TEMPORARY ADMINISTRATIVE ORDER
INCLUDING STATEMENT OF NEED & JUSTIFICATION

SSP 13-2023

CHAPTER 461

DEPARTMENT OF HUMAN SERVICES

SELF-SUFFICIENCY PROGRAMS

FILED

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ARCHIVES DIVISION
SECRETARY OF STATE
& LEGISLATIVE COUNSEL

FILING CAPTION: Temporary Rule Change Removing OSIP and OSIPM Income Cap Trust Related Disqualifications

EFFECTIVE DATE: 04/01/2023 THROUGH 09/27/2023

AGENCY APPROVED DATE: 03/02/2023

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NEED FOR THE RULE(S):

OAR 461-140-0296 about Length of Disqualification Due to an Asset Transfer; OSIP and OSIPM, needs to be amended to remove income cap trust-related OSIP and OSIPM disqualifications from rule. Removing the disqualifications based on accumulations of funds in income cap trusts will greatly reduce the burden on Department staff to monitor and deal with this complicated and time-consuming disqualification type, further reduce barriers to eligibility, and enhance the beneficial goals of the recent elimination of the patient liability for recipients of in-home services.

JUSTIFICATION OF TEMPORARY FILING:

The Department finds that failure to act promptly amending and adopting the rule in this filing will result in serious prejudice to the public interest, the Department, and individuals receiving or applying for OSIP or OSIPM who have income cap trusts. The Department needs to proceed by temporary rule due to immediate nature of ongoing program eligibility review and the need for Department rules to align with policy and ONE system programming. Failure to act immediately could result in confusion for administrative law judges, state employees, and OSIP or OSIPM applicants and recipients to whom the provisions apply. This temporary rule filing will bring the rule language into alignment with the Department's policy decision to end these disqualifications effective January 1, 2023.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

No documents relied upon.

AMEND: 461-140-0296

RULE SUMMARY: OAR 461-140-0296 is being amended by temporary filing to remove the disqualification period from the Oregon Supplemental Income Program (OSIP) and the Oregon Supplemental Income Program Medical (OSIPM) due to the accumulation of funds in excess of the applicable dollar amount listed in section (2) of the rule for income cap trusts. This change is retroactively effective to January 1, 2023.

CHANGES TO RULE:

(1) This rule applies to individuals in the OSIP and OSIPM programs who live in a nonstandard living arrangement (see OAR 461-001-0000).¶

(2) A financial group (see OAR 461-110-0530) containing a member disqualified due to the transfer of an asset is disqualified from receiving benefits. The length of a disqualification period resulting from the transfer is the number of months equal to the uncompensated value (see OAR 461-140-0250) for the transfer divided by the following dollar amount:¶

(a) If the initial month (see OAR 461-001-0000) is prior to October 1, 1998--\$2,595.¶

(b) If the initial month is on or after October 1, 1998 and prior to October 1, 2000--\$3,320.¶

(c) If the initial month is on or after October 1, 2000 and prior to October 1, 2002--\$3,750.¶

(d) If the initial month is on or after October 1, 2002 and prior to October 1, 2004--\$4,300.¶

(e) If the initial month is on or after October 1, 2004 and prior to October 1, 2006--\$4,700.¶

(f) If the initial month is on or after October 1, 2006 and prior to October 1, 2008--\$5,360.¶

(g) If the initial month is on or after October 1, 2008 and prior to October 1, 2010--\$6,494.¶

(h) If the initial month is on or after October 1, 2010 and prior to October 1, 2016--\$7,663.¶

(i) If the initial month is on or after October 1, 2016 and prior to October 1, 2018--\$8,425.¶

(j) If the initial month is on or after October 1, 2018 and prior to October 1, 2020---\$8,784.¶

(k) If the initial month is on or after October 1, 2020 and prior to October 1, 2022---\$9,551.¶

(l) If the initial month is on or after October 1, 2022---\$10,342.¶

(3) For transfers by an individual and the spouse of an individual that occurred before July 1, 2006:¶

(a) Add together the uncompensated value of all transfers made in one calendar month and treat this total as one transfer.¶

(b) If the uncompensated value of the transfer is less than the applicable dollar amount identified in subsections (2)(a) to (2)(l) of this rule, there is no disqualification.¶

(c) If there are multiple transfers in amounts equal to or greater than the applicable dollar amount identified in subsections (2)(a) to (2)(l) of this rule, each disqualification period is calculated separately.¶

(d) The number of months resulting from the calculation in section (2) of this rule is rounded down to the next whole number.¶

(e) Except as provided in subsection (3)(f) of this rule, the first month of the disqualification is the month the asset was transferred.¶

(f) If disqualification periods calculated in accordance with this rule overlap, the periods are applied sequentially so that no two penalty periods overlap.¶

(g) If both spouses of a couple are in a nonstandard living arrangement, part of the disqualification is apportioned to each of them. If one member of the couple is serving a disqualification when the other member of the couple begins living in a nonstandard living arrangement, any remaining disqualification is apportioned equally to each member of the couple. If one spouse is unable to serve the resulting disqualification period for any reason, the remaining disqualification applicable to both spouses must be served by the remaining spouse.¶

(4) For transfers by an individual and the spouse of an individual that occurred on or after July 1, 2006 ~~and for income cap trusts under OAR 461-145-0540(10)(c) that accumulate funds in excess of the applicable dollar amount identified in subsections (2)(a) to (2)(l) of this rule:~~¶

(a) If there are multiple transfers by the individual and the spouse of the individual, including any transfer less than the applicable dollar amount identified in subsections (2)(a) to (2)(l) of this rule, the value of all transfers are added together before dividing by the applicable dollar amount identified in subsections (2)(a) to (2)(l) of this rule. ~~For an income cap trust, the calculation in section (2) of this rule is performed as soon as, but not before, funds have accumulated to at least the applicable dollar amount identified in subsections (2)(a) to (2)(l) of this rule.~~¶

(b) The quotient resulting from the calculation in section (2) of this rule is not rounded. The whole number of the quotient is the number of full months the financial group is disqualified. This number might be zero full months. The remaining decimal or fraction of the quotient is used to calculate a partial month disqualification, which may be in addition to one or more full months. This remaining decimal or fraction is converted to a number of days by multiplying the decimal or fraction by the number of days in the month following the last full month of the disqualification period, if any. If this calculation results in a fraction of a day, the fraction of a day is rounded down.¶

(c) Notwithstanding when the Department learns of a disqualifying transfer, the first month of the disqualification is:¶

(A) For an individual who transfers an asset while he or she is already receiving Department-paid long-term care (see OAR 461-001-0000) or home and community-based care (see OAR 461-001-0030) in a nonstandard living arrangement, the month following the month the asset was transferred, except that if disqualification periods

calculated in accordance with this rule overlap, the periods are applied sequentially so that no two penalty periods overlap.¶¶

(B) For an applicant who transfers an asset prior to submitting an application and being determined eligible and for an individual who transfers an asset while he or she is already receiving benefits in a standard living arrangement (see OAR 461-001-0000), the date of request (see OAR 461-115-0030) for long-term care or home and community-based care as long as the applicant or individual would otherwise be eligible but for this disqualification period. If the applicant or individual is not otherwise eligible on the date of request, the disqualification begins the first date following the date of request that the applicant or individual would be otherwise eligible but for the disqualification period.¶¶

(d) If both spouses of a couple are in a nonstandard living arrangement, part of the disqualification is apportioned to each of them. If one member of the couple is serving a disqualification when the other member of the couple begins living in a nonstandard living arrangement, any remaining disqualification is apportioned equally to each member of the couple. If one spouse is unable to serve the resulting disqualification period for any reason, the remaining disqualification applicable to both spouses must be served by the remaining spouse.¶¶

(5) If an asset is owned by more than one person, by joint tenancy, tenancy in common, or similar arrangement, the share of the asset owned by the individual is considered transferred when any action is taken either by the individual or any other person that reduces or eliminates the individual's control or ownership in the individual's share of the asset.¶¶

(6) For an annuity that is a disqualifying transfer under section (11) of OAR 461-145-0022, the disqualification period is calculated based on the uncompensated value as calculated under OAR 461-140-0250, unless the only requirement that is not met is that the annuity pays beyond the actuarial life expectancy of the annuitant. If the annuity pays beyond the actuarial life expectancy of the annuitant, the disqualification is calculated according to section (7) of this rule.¶¶

(7) If an individual or the spouse of an individual purchases an annuity on or before December 31, 2005, and the only requirement that is not met is that the annuity pays benefits beyond the actuarial life expectancy of the annuitant, as determined by the Period Life Table of the Office of the Chief Actuary of the Social Security Administration, a disqualification period is assessed for the value of the annuity beyond the actuarial life expectancy of the annuitant.¶¶

(8) Effective January 1, 2023, the Department ends the disqualifications previously established under this rule based on an income cap trust.

Statutory/Other Authority: ORS 413.085, 414.685, ORS 409.050, 411.060, 411.704, 411.706

Statutes/Other Implemented: 42 USC 1396p, ORS 409.010, 411.060, 411.704, 411.706