



## AGED, BLIND, AND DISABLED MEDICAID 805-1 Nursing Home Budgeting

**Supersedes:** MA 904-1 (007/01/09); 904-6 (01/01/08)

**Reference:** ARM 37.82.101, 1312, .1313 & .1320; Public Law 108-422, Section 202

**Overview:** Eligibility staff must determine if clients applying for residential institutionalized care (e.g., nursing home) fall into categorically needy or medically needy. Once that is established, medical need is determined to see if the individual is eligible for Medicaid coverage of their institutional cost of care. If determined eligible, post-eligibility budgeting occurs to determine the client's share of the cost of care.

**Only the applicant's income is used to determine residential medical institution income eligibility.**

**NOTE:** Medicaid will not pay for institutional care for clients who fail the medical need determination. However, these clients may be eligible as medically needy and Medicaid may pay for other medical expenses.

### **LONG TERM CARE (LTC) INSURANCE:**

Long term care insurance typically pays per day the individual is institutionalized. There are many types of LTC insurance, including Medicare Part A, QMB, private LTC insurance policies and Veteran's Per Diem payments.

### **VA PER DIEM PAYMENTS:**

Qualified veterans receive VA per diem payments, which are paid directly to the facility. VA per diem is not treated as income, but rather as a Third Party Liability benefit. VA per diem and VA Aid and Attendance (A&A) should not be confused as they are separate payments, and A&A is paid directly to the veteran.

VA per diem payments are not included in any ABD Medicaid budget determinations for veterans living in a state veteran's home. **NOTE:** Montana has two state veterans' homes; Eastern Montana Veterans' Home in Glendive, and Montana Veterans' home in Columbia Falls. However, VA per diem payments are included when determining medical need for veterans living in private or county nursing homes. See the Step 1 business process.

VA per diem payments are used to offset the Medicaid daily rate in Step 1 budgeting when paid to private or county nursing homes.

**Effective Date:** July 01, 2016