

**MARYLAND MEDICAL ASSISTANCE PROGRAM**

**NOTICE OF NON-COVERAGE OF NURSING FACILITY SERVICES  
DUE TO ANNUITY**

Date \_\_\_\_\_

Re: \_\_\_\_\_

Name

\_\_\_\_\_

CID #

Dear \_\_\_\_\_,

This is to notify you that based on the application/redetermination filed on \_\_\_\_\_, you are determined **ineligible** for Medical Assistance coverage of nursing facility services. This is because you did not meet the Program's requirements related to annuities. **However, you are eligible for medical services covered under the red and white Medical Care Program Identification Card.** Your eligibility for Medical Assistance:

- began effective \_\_\_\_\_.
- will continue unless you receive a cancellation notice.

Since you did not meet the following requirements related to annuities, Medical Assistance will not pay for your nursing facility services:

- You did not name the State of Maryland as the remainder beneficiary for an annuity owned by yourself (or your spouse), behind only any spouse or minor or disabled sons or daughters that you have.

Because of this, you will not be covered by Medical Assistance for nursing facility services until the State of Maryland is named as a remainder beneficiary in the correct position for the total amount of Medical Assistance expenditures on your behalf.

- You are considered to have transferred assets for less than fair market value because on \_\_\_\_\_:
  - You (or your spouse) purchased an annuity and did not name the State of Maryland as the remainder beneficiary, behind only any spouse or minor or disabled sons or daughters that you have.
  - You (or your spouse) purchased an annuity, added money to an annuity, withdrew money from an annuity, or changed payments from an annuity that made your money unavailable or for which you did not receive fair market value.
  - You purchased an annuity, added money to an annuity, withdrew money from an annuity, changed payments from an annuity, or made another change to an annuity's payments or principal and the annuity either does not meet certain requirements of the Internal Revenue Code to be excluded from consideration or does not meet all of the following Medical Assistance requirements: is irrevocable, non-assignable, and actuarially sound and provides for payments, with no deferral and no balloon payments, in approximately

equal amounts through the annuity's term to you or any spouse or minor or disabled child that you have.

Because of the action specified in #2 above, you are considered to have transferred assets for less than fair market value in the amount of \$\_\_\_\_\_. This results in a penalty period of \_\_\_\_\_ months and \_\_\_\_\_ days, which begins on \_\_\_\_\_ and expires on \_\_\_\_\_.

You are not covered by Medical Assistance for nursing facility services until the penalty period expires, at which time you may have to complete a new application. If you cannot access these funds and the penalty would cause you to be deprived of medical care, food, clothing, shelter, or other necessities so that your health or life would be endangered, contact the case worker below to find out about requesting an "undue hardship waiver."

**Note:** You are required to inform the case manager named below of any change in your income or resources within 10 days of the change. This includes notifying your case worker when you (or your spouse) purchase, sell, or make any change to an annuity, such as changing the ownership or the amount of payments.

This decision is based on the requirements set forth in the Deficit Reduction Act of 2005 (Public Law 109-171) Section 6012, as codified in 42 U.S.C. 1396p, and/or COMAR 10.09.24.\_\_\_\_\_.

If you do not agree with this decision, you have the right to request a hearing within 90 days of the date on this notice. The procedures for requesting a hearing are attached. If you have any questions about this letter, please call your Case Manager at the number below.

\_\_\_\_\_  
Case Manager

\_\_\_\_\_  
Department of Social Services

\_\_\_\_\_  
Telephone Number

## HOW TO HAVE A HEARING IF YOU THINK WE ARE WRONG

### What do I do if I think your decision is wrong?

- Call the telephone number on the other side of this notice to ask for a conference.
- Request a hearing by:
- Calling 1-800-332-6347 or the telephone number on the other side of this notice and requesting a hearing; or
- Visiting your local department office and requesting a hearing; or
- Mailing or giving a request for a hearing in writing to:
- Your local department office; or
- The following address:

DHMH Docketing – Unit A Office of Administrative Hearings 11101 Gilroy Road Hunt Valley, Maryland 21031-1301
---

- If you don't want to fill out the form to request the hearing:
- Come to your local department office. We will help you.
- Call your case manager at the telephone number on this notice or call 1-800-332-6347.

### How long do I have to request a hearing?

- You must ask for a hearing no later than **90 days** after the date of this notice.

### How long can I still get my benefits while I wait for my hearing?

- If you ask for a hearing no later than **10 days** after the date of this notice and you were getting benefits, you can continue to get your benefits while you wait.

### Will I owe any money if I get my benefits while I wait?

- If the judge agrees with us and you lose your appeal, you may have to pay back benefits. This might not be required if it is determined that your request for a hearing resulted from a bonafide belief that the department's decision was in error.

### When and where will the hearing be?

- The Office of Administrative Hearings will send you a notice telling you the time and place of your hearing.

### Do I have to come to the hearing?

- Yes. You will lose if you do not come. If you can't come, tell the Office of Administrative Hearings and they will reschedule your hearing.

### Can I bring someone to help me or speak for me?

- Yes. You can bring a lawyer, friend, or relative. If you want free legal help, call your local department or call Legal Aid at 1-800-999-8904. To see if you qualify for free legal representation, call the Maryland Volunteer Lawyer Services at 1-800-510-0050.

### How can I prepare for the hearing?

- You can see your file, including your computer file, at your local department and talk with us about this decision. Please call the telephone number on the other page to make an appointment. We will send you our reasons for the decision that you are appealing, at least 6 days before your hearing.