



Eligibility Operations Memo 16-06
September 15, 2016

TO: MassHealth Eligibility Operations Staff

FROM: Amy Dybas, Director, Member Policy Implementation

RE: **Annuity Transactions Occurring on or after February 8, 2006**

Introduction

MassHealth is providing additional guidance for the regulations at 130 CMR 520.007(J)(2), which govern the treatment of annuity transactions occurring on or after February 8, 2006, for the purpose of determining MassHealth eligibility. These provisions apply not only to an applicant or member for long-term-care services and supports but also to the community spouse of such an individual.

Annuity Transactions Occurring on or after February 8, 2006

Federal Medicaid law at 42 U.S.C. § 1396p(c)(1)(F) requires that the Commonwealth of Massachusetts is named as the remainder beneficiary in the proper position for annuity transactions that occur on or after February 8, 2006. The requirement, under 130 CMR 520.007(J)(2), applies to any purchase of an annuity on or after February 8, 2006, as well as for any annuity transactions that occur on or after February 8, 2006, such as elective withdrawals, additions of principal, annuitization, the selection or modification of a payment plan, the conversion of a variable annuity to a fixed annuity, or any change of beneficiaries, regardless of the date the annuity was initially purchased.

The naming of the Commonwealth of Massachusetts in the proper position for annuity transactions is applicable to annuity transactions in which the applicant, member, or community spouse is named as an annuitant. Failure to comply with these requirements at 130 CMR 520.007(J)(2) including the failure to maintain the Commonwealth of Massachusetts as the beneficiary of the annuity may result in the denial or termination of long-term care benefits and the need to repay any MassHealth benefits obtained during the time that this requirement was not satisfied.

Questions

If you have any questions about this memo, please have your MEC designee contact the Policy Hotline.