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| LOCAL COMMISSIONERS MEMORANDUM |
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DSS-4037EL (Rev. 9/89)

Transmittal No: 93 LCM-158

Date: November 5, 1993

Division: Health & Long Term
Care

TO: Local District Commissioners

SUBJECT: Treatment of Accelerated Life Insurance Payments

ATTACHMENTS: Medicaid State Operations Letter #93-63
(Not Available On-Line)

Enclosed for your information is a copy of Medicaid State Operations Letter #93-63 which explains a new type of life insurance payment process, and describes how the payments are to be treated. As indicated, these payments are not to be considered as a resource conversion, but are to be treated as any other type of income applied first to the person's basic needs, with any excess applied toward their medical expenses.

This policy is also consistent with recently enacted State legislation regarding "Viatical Settlement Companies", which, under New York State Insurance laws, are the companies which are authorized to make these kinds of payments.

Any questions regarding these types of arrangements may be directed to Barbara Crumb, user ID# OME140, at 1-800-342-4100, extension 4-9141.

Sue Kelly
Deputy Commissioner
Health and Long Term Care