

Mike McCormick

**Authorized Signature**

**Number:** APD-PT-16-027

**Issue date:** 7/5/2016

**Topic:** Medical Benefits

**Transmitting (check the box that best applies):**

- New policy   
  Policy change   
  Policy clarification   
  Executive letter  
 Administrative Rule   
  Manual update   
  Other: \_\_\_\_\_

**Applies to (check all that apply):**

- |  |  |
|--|--|
| <input type="checkbox"/> All DHS employees                             | <input type="checkbox"/> County Mental Health Directors                      |
| <input checked="" type="checkbox"/> Area Agencies on Aging             | <input type="checkbox"/> Health Services                                     |
| <input checked="" type="checkbox"/> Aging and People with Disabilities | <input type="checkbox"/> Office of Developmental Disabilities Services(ODDS) |
| <input type="checkbox"/> Self Sufficiency Programs                     | <input type="checkbox"/> ODDS Children’s Intensive In Home Services          |
| <input type="checkbox"/> County DD Program Managers                    | <input type="checkbox"/> Stabilization and Crisis Unit (SACU)                |
| <input type="checkbox"/> ODDS Children’s Residential Services          | <input type="checkbox"/> Other (please specify):                             |
| <input type="checkbox"/> Child Welfare Programs                        |  |

Policy/rule title:	Requirement to Pursue Assets		
Policy/rule number(s):	461-120-0330	Release no:	
Effective date:	July 1, 2016	Expiration:	
References:	OSIP D.4, QMB D.3		
Web address:	<a href="https://apps.state.or.us/cf1/caf/arm/A/461-120-0330.htm">https://apps.state.or.us/cf1/caf/arm/A/461-120-0330.htm</a> <a href="http://www.dhs.state.or.us/spd/tools/program/osip/d.htm#04">http://www.dhs.state.or.us/spd/tools/program/osip/d.htm#04</a> <a href="http://www.dhs.state.or.us/spd/tools/program/qmb/d.htm#03">http://www.dhs.state.or.us/spd/tools/program/qmb/d.htm#03</a>		

**Discussion/interpretation:** OAR [461-120-0330](#) about the requirement to pursue assets is being amended to align with federal policy regarding converting pension and retirement plans to monthly or periodic income if eligible. Beginning July 1, 2016, all benefit group members must pursue (i.e. set up) monthly or periodic payments or distributions from a pension or retirement fund (see OAR [461-145-0380](#)) if eligible to do so under the terms of the plan.

Benefit group members will not be required to pursue payments if the only option available is a lump-sum payment; however, when an individual can choose either a

lump sum or monthly or periodic payments, the individual must choose monthly or periodic payments in order to meet the requirement to pursue assets and remain eligible for OSIPM and/or Medicare Savings Programs. *Note: This rule change does not apply to a non-applying or ineligible spouse.*

If an application was made prior to July 1, 2016 for a lump-sum withdrawal from a pension or retirement account that was also eligible to annuitize, the individual must attempt to change to monthly or periodic payments. If the plan does not permit a change, there is no penalty and the requirement is considered satisfied.

**Implementation/transition instructions:**

This policy change is effective 07/01/2016 and applies to current recipients of and new applicants for OSIPM and Medicare Savings Programs.

**Training/communication plan:** Review transmittal with staff. Contact central office for technical assistance.

**Local/branch action required:** Begin applying this policy for all pension and retirement plans as defined in OAR 461-145-0380 effective July 1, 2016.

**Central office action required:** Update policy manuals and training material and provide assistance when needed.

**Field/stakeholder review:**  Yes  No

**If yes, reviewed by:** Operations Committee, APD-Policy

**Filing instructions:**

*If you have any questions about this policy, contact:*

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## 461-120-0330

### Requirement to Pursue Assets

1. In all programs, except the ERDC and SNAP programs, an individual must make a good faith effort to obtain any asset (other than support and medical coverage, which are covered in OAR [461-120-0340](#) and [461-120-0345](#), respectively) to which the individual has a legal right or claim, except as follows:
  - a. A *parent* (see OAR [461-001-0000](#)) or *caretaker relative* (see OAR [461-001-0000](#)) who is exempt from participation in the JOBS program is not required to apply for unemployment insurance benefits.
  - b. Except as specified by law, an individual applying for or receiving any program benefits from the Department is not required to apply for other programs it administers or for supplemental security income (SSI).
  - c. An individual applying for the EA program is required to pursue, obtain, and use an asset only if the asset can be made available in time to meet the emergent need.
  - d. An individual is not required to borrow money.
  - e. An individual is not required to make a good faith effort to obtain any asset if the individual can show good cause for not doing so. Good cause means a circumstance beyond the ability of the individual to control.
2. In all programs except the ERDC, SNAP, and medical assistance programs:
  - a. The effect of failing to comply with this rule is that everyone in the filing group is ineligible. In addition, when a REF, SFPSS, or TANF program payment ends due to the penalty described in this subsection, eligibility for and the level of SNAP benefits are determined as if the individual were receiving benefits without the effects of this rule.
  - b. The penalty provided by subsection (2)(a) of this rule is effective until all members of the filing group comply with the requirements of section (1) of this rule.
3. In the medical assistance programs:
  - a. The requirement to pursue assets includes individuals in the benefit group applying for monthly or periodic payments from a

retirement or pension plan (see OAR [461-145-0380](#)) if the individual is eligible to apply under the terms of the plan.

- A. When an individual can choose a lump sum or an annuity as a payment method for the retirement or pension plan, the individual must choose the annuity.
  - B. Where an application has been made for a lump sum withdrawal of the monies on which a potential annuity is based and the benefit source permits the individual to change his/her decision and apply for the annuity, the individual must pursue the change to be eligible for medical benefits. If the benefit source does not permit such a change, accept the individual's word that the decision is irreversible, absent evidence to the contrary.
  - C. An individual is not required to file when only a lump sum payment is available.
- b. An individual is ineligible for benefits if he or she fails to comply with the requirements of this rule.
  - c. The penalty provided by section (3)(a) of this rule is effective until the individual complies with the requirements of section (1) of this rule.

Stat. Auth: ORS [411.060](#), [411.070](#), [411.087](#), [411.404](#), [411.706](#), [411.816](#), [412.006](#), [412.014](#), [412.024](#), [412.049](#), [412.124](#), [414.231](#)

Stats. Implemented: ORS [411.060](#), [411.070](#), [411.087](#), [411.404](#), [411.706](#), [411.816](#), [412.006](#), [412.014](#), [412.024](#), [412.049](#), [412.124](#), [414.231](#)

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