TEXAS
Health and Human Services

Cecile Erwin Young
Executive Commissioner

MEPD and TW Bulletin 25-12

Date: July 1, 2025

To: Eligibility Services Supervisors and Staff
Program Managers
Regional Directors
Policy Attorneys
Hearings Officers

From: Access and Eligibility Services Program Policy
State Office 2106

Subject:
1. **Update - Asset Verification System and TIERS Updates**
2. **Spousal Impoverishment Dependent Allowance**

The information in this bulletin will be included in a future handbook revision. Until the handbook is updated, staff must use the information in this bulletin. If you have any questions regarding the policy information in this bulletin, follow regional procedures.

Active bulletins are posted on the following websites:

- Medicaid for the Elderly and People with Disabilities Handbook (MEPDH) at https://hhs.texas.gov/laws-regulations/handbooks/mepd/policy-bulletins;
- Texas Works Handbook (TWH) at https://hhs.texas.gov/laws-regulations/handbooks/texas-works-handbook/texas-works-bulletins.

1. Update – Asset Verification System and TIERS Updates

Background

Federal regulations require states to access all available electronic data sources and attempt to determine and redetermine eligibility using reliable information in the case record and information available through electronic data sources.

The Asset Verification System (AVS) is an online data source that provides financial account information for a person applying for certain Medicaid for the Elderly and People with Disabilities (MEPD) types of assistance (TOAs).

This bulletin provides additional policies and processes to support the implementation of the AVS policy provided in MEPD and TW Bulletin 25-03 Asset Verification System and TIERS Updates.

Current Policy

All Programs

Custodial Other, Custodial Retirement and Rent Security are types of trust accounts. Review the AVS response to determine the type of trust, create a new resource record and follow trust account policy for treatment of a trust, including review by regional legal staff. Request additional information if needed to determine whether the trust is a countable resource. (MEPDH R-3743, AVS Responses, and TWH A-1237, Trust Funds)

Christmas (Xmas) Club accounts are a type of savings account.

MEPD and Medicare Savings Program (MSP)

When processing an application or renewal, adding a person or transferring a program for MEPD TOAs that require a resource test, staff verify financial account information and explore potential transfers of resources by requesting an AVS report, if applicable. (R-3740, Asset Verification System (AVS))

New Policy

All Programs

Custodial Other, UGMA (Uniform Gifts to Minors Act), UTMA (Uniform Transfers to Minors Act), Custodial Retirement, Rent Security, Money Market, and Christmas (Xmas) Club accounts are types of liquid resources.

When the following financial account types are reported for the first time, an AVS response cannot be used as a verification source because they must be reviewed by legal:

- Annuities
- Convertible Bonds
- Custodial Other/UGMA/UTMA accounts
- Custodial Retirement accounts
- Individual Retirement Accounts (IRA)
- Other (depending on 'other' type of account)
- Trusts

At renewal, use AVS as a verification source if there are no changes or potential transfer of assets.

Rent Security is a type of account often used for people renting out an apartment or property they own. This account is considered not accessible when it is held by the landlord as a security deposit. Request documentation such as a bank statement or copy of the account agreement to verify a Rent Security account. This type of account is a case clue that the person owns property and is receiving rental income. Rent Security accounts do not have to be reviewed by legal.

Note: A Rent Security account may be considered a countable resource to the landlord. Although not all inclusive, an example, is when the landlord no longer owns the rental property and still has the deposit in their Rent Security account.

MEPD and MSP
If the person does not have a Social Security number (SSN), an AVS report is not required.

New Process
Money Market and Christmas (Xmas) Club now have their own dropdown option in the *Liquid Resource Type* dropdown menu and will no longer be created under *Bank Account – Savings*.

Reminder: When AVS reports a Custodial Other/UGMA/UTMA, Custodial Retirement or Rent Security financial account, verify these financial accounts do not already exist under the Trust Resource logical unit of work (LUW) **before** adding this account to the Liquid Resource LUW. If there is an entry in the Trust Resource LUW, end date the existing record in that LUW, and create a new account record in the Liquid Resources LUW, using the appropriate dropdown option. The effective begin date (EBD) for the new Liquid Resource record is the day after the end date of the Trust account record.

For Money Market and Xmas Club accounts, verify a Bank Account - Savings record does not already exist **before** adding this account to the Liquid Resource LUW. If an account already exists, end date the existing account and create a new account using the appropriate dropdown option. The EBD is the day after the end date of the Bank Account – Savings record.

Use the bank name and account number listed in AVS and TIERS to determine if a financial account is new or was previously entered under a different Liquid Resource Type.

TIERS Updates

Liquid Resource – Details LUW

The following financial account types have been added to the *Liquid Resource Type* dropdown menu:

- Custodial Other/UGMA/UTMA
- Custodial Retirement
- Rent Security
- Money Market
- Christmas (Xmas) Club

The above financial accounts may be excluded from the household budget by answering 'No' to the question, "Is Liquid Resource accessible?" when applicable. This is after legal staff review Custodial Other/UGMA/UTMA and Custodial Retirement accounts. Document legal review responses in the case record.

The field "If not, reason not accessible" does not impact the TIERS budget.

Automation

Changes to TIERS are currently scheduled to be implemented with TIERS Release 120.1 on July 12, 2025.

CPM #1375221, Asset Verification System for MEPD Types of Assistance without a Social Security Number, will be retired with this release.

Correspondence

Changes to Form TF0001, Notice of Case Action, to update the Federal Credit Reporting Act (FCRA) language, and Form H1020, Request for Information or Action, to include the new financial accounts that have been added to the Liquid Resource – Details LUW, when applicable, will be implemented with TIERS Release 120.1 on July 12, 2025.

Handbook

The MEPDH is currently scheduled to be updated in the December 2025 revision.

Updates to the TWH are not required.

Training

The web-based training, Asset Verification System, available in the Data Broker Portal, is updated to reflect the new policy and processes.

Effective Date

This policy is effective with TIERS Release 120.1 currently scheduled for July 12, 2025.

2. Spousal Impoverishment Dependent Allowance

Background

In determining the co-payment for a person receiving Medicaid services in an institutional setting or under a Home and Community-Based Services program, a dependent allowance may be deducted from the person's income.

The spousal impoverishment dependent allowance is calculated by subtracting the dependent's income from 150% of the monthly federal poverty level (FPL) for a family of two and dividing it by three. This amount is then deducted from the person's total countable income when determining the co-payment amount.

Although the FPL amounts are updated effective March 1st of each year, the new amount used for the spousal impoverishment dependent allowance amount is not effective until July 1st.

Current Policy

MEPD

The current FPL amount used to calculate the spousal impoverishment dependent allowance is $2,555. (MEPDH J-7400, Spousal Impoverishment Dependent Allowance)

New Policy

MEPD

Effective July 1, 2025, the new FPL amount used to calculate the spousal impoverishment dependent allowance is $2,643.75.

Note: An incorrect FPL amount of $2,644 was programmed in TIERS on May 31, 2025. Updates will be made in TIERS to correct the spousal impoverishment dependent allowance in any co-payment calculations with an eligibility effective date of July 1, 2025. No staff action is necessary.

Automation

Corrections to TIERS will be implemented with TIERS Release 120.2 on Aug. 9, 2025.

Correspondence

Correspondence changes are not required.

Handbook

The MEPDH is currently scheduled to be updated in the December 2025 revision.

Updates to the TWH are not required.

Training

The MEPD Basic Skills Training and Continuing Skills Training will be updated to reflect the new spousal impoverishment dependent allowance amount.

Effective Date

This policy is effective July 1, 2025.