

## Medicaid Resource Limits

The resource limit for Nursing Home, Hospital, and ICF-IID Medicaid, as of the first day of each month, is \$2,000. Special rules apply for an individual in a medical institution or receiving Home and Community Based Waiver Services with a spouse at home.

### Some examples of resources are:

- Cash
- Mortgages
- Cash surrender value of Life Insurance when face value exceeds \$5,000
- Stocks and Bonds
- Mutual Funds
- Promissory Notes
- Real Estate
- Checking and Savings
- Loans Time Deposits (Certificates of Deposit, Annuities, etc.)
- Mineral and Timber Rights, etc.

### Some resources do not count toward the \$2,000 resource limit, they are:

1. Household goods and personal effects.
2. Life insurance (or any insurance with a cash surrender value), if the total combined face value is \$5,000 or less.
3. Burial fund or prepaid burial contract of up to \$5,000. (The amount excluded is reduced by the face value of life insurance excluded in #2 above. The District Office will have to have copies of the fund or contract.)
4. Burial space items (casket, vault, crypt, burial plot, marker, opening and closing of grave).
5. One automobile per household, if used by the household member.
6. Property may not be counted as a resource in the following situations:
  - a. Intent to return home from the medical institution,
  - b. A bona fide effort is being made to sell the property,
  - c. If a spouse, other dependent relative, or joint owner is living on the property,
  - d. The property, valued less than \$6,000, is income producing,
  - e. If the property interest is a life estate.

NOTE: A lien may be required.

All property information such as deeds, wills, etc. will need to be submitted to the Medicaid District Office for review.

## Excess Resources

The resource limit for Nursing Home, Hospital, and ICF-IID Medicaid is \$2,000 before the first day of the month. This means that in order to be eligible for Medicaid you must not have more than \$2,000 in resources on the first day of any given month.

To keep from going over the \$2,000 limit:

- If you owe money to the nursing home, pay it before the first of the month.
- Pay any of your bills that are due before the first of the month.
- Do not let anyone else deposit money into your bank account to help pay your bills. It may be counted as income in the month of the deposit and a countable resource the following month.
- If you get a Social Security check or other pension check and it is left in your bank account at the beginning of the next month, it is counted as a resource.
- If you have a life insurance or a burial contract for more than the limit, the amount over the limit will be counted as a resource.

**Remember, if you have resources in excess of \$2,000 on the first day of the month, you will NOT be eligible for Medicaid that month.**

## Disposal of Resources

You may not be eligible for Institutional Medicaid if you sold (for less than fair market value), gave away or transferred any resource(s) that you or your spouse owned.

Nursing Home, Hospital, HCBS and ICF-IID Medicaid for a married couple:

If a couple is legally married and one spouse is a patient in a medical institution or receiving HCBS (institutionalized spouse) while the other spouse remains in the community (community spouse), special rules apply for Nursing Home, Hospital, HCBS and ICF-IID Medicaid. Some or all of the assets of the couple may be protected for the community spouse. In addition, some of the income of the institutional spouse may be allocated to the community spouse.

## **Income Allocation for the Community Spouse**

**In order to receive a portion of the institutionalized spouse's income, the community spouse cannot have more than \$2,030.00 per month.** (This income allocation amount changes each July.)

If the community spouse has gross income at or above \$2,030, no additional income can be allocated from the institutionalized spouse to the community spouse. If the community spouse has gross (before anything is taken out) monthly income that is less than \$2,030 per month, the institutionalized spouse may allocate income to the community spouse.

## **Resource Assessment for the Community Spouse**

When someone enters the nursing home or receives HCBS and their spouse remains in the community, an assessment of the combined assets (resources) is done by the Medicaid District Office. The Medicaid worker will ask for proof of all assets owned by the couple, either solely or jointly, as of the date the institutionalized spouse entered a medical institution or began receiving HCBS. (Some of the same resource exclusions apply as mentioned earlier in this handout. The home will not be counted as long as the spouse lives in the home.) The value of all countable assets will be added together. The amount that can be protected for the community spouse will be determined by the Medicaid District Office.

If the total value of the couple's countable assets is \$27,000 or less, spend down of the assets for the institutionalized spouse will not be required. If the combined countable assets are more than \$27,000, some of the assets must be spent on the institutionalized spouse before he or she will be eligible for Medicaid assistance. (The Medicaid District Office will determine the amount of assets to be spent down.) If the value of the combined countable assets is more than \$50,000, but less than \$247,200, one half of the assets will be protected for the community spouse. The other half will be counted to the institutionalized spouse, who will not be eligible for Medicaid until his or her share of the assets is spent down to \$2,000 before the first day of a month.

**The maximum value of the countable assets that can be protected for the community spouse is \$123,600.** The couple must have \$247,200 or more on hand as of the date the institutionalized spouse entered a medical institution in order to allow the maximum amount to be kept by the community spouse.