

M Medicaid Fact Sheet 2013

Frequently Asked Questions about Medicaid Planning.

Q. If I give assets away am I ineligible for Medicaid?

A. Yes. Any gift or transfer of assets made after November 1, 2007 disqualifies the applicant for Medicaid benefits. The disqualification starts at the time of the application for Medicaid. The penalty may be avoided by taking the appropriate legal action.

Q. What about the money in my safety deposit box? Do I have to tell anyone about it when applying for benefits?

A. Yes. You must BY LAW disclose to the state all of your assets. Failure to do so is fraud.

Q. Can my son take money out of our joint account without effecting my eligibility?

A. No. Any transfer of assets from a joint account, regardless of who makes the transfer, will be considered a transfer.

Q. Can I still give \$13,000.00 a year away?

A. No, not without it being considered a transfer. Many people mistakenly believe that because you can give away \$13,000.00 per person per year tax free, that this is the same case with Medicaid. Unfortunately it is not, and the gift may affect your eligibility.

Q. Is my house protected?

A. Yes. The house is not counted as an asset so long as the owner has an intent to return and the value is less than \$536,000.

Q. When I die does the state take my house?

A. This depends on which state you live in. The state is a creditor and has the right to recover money spent on your care in the nursing home. This can include proceeding against the home after you die. However, in some states, Florida for example, they can not touch the home so long as it is considered "homestead."

Q. Is long-term care insurance a good idea?

A. Yes, absolutely. If you can afford long-term care insurance, and meet the eligibility requirements, the purchase of long-term care insurance is an acceptable

way to manage the risk of an extended stay in a nursing home.

Q. Do I have to have an attorney help me to apply for benefits?

A. No, however, an experienced elder law attorney can preserve assets that would have otherwise been lost.

Q. Do I get to keep my income if I am on Medicaid?

A. No. With a few exceptions, you are required to pay to the nursing home the applicant's total monthly income, minus \$35.00 for personal needs.

Q. Should I wait until I need Medicaid benefits before I see an elder law attorney?

A. No. Many of the options available to you to protect your assets are dependent on time. Therefore the greater the amount of time before the need arises the more options you have.

Q. If I have too many assets to qualify, but need Medicaid now, is it too late to protect any assets?

A. No. While you may have lost the opportunity to use some of the easier strategies, it is never too late to protect some if not all of the remaining assets.

Q. Is Medicaid planning just a loophole that the government will close down?

A. No. While the legislation affecting Medicaid is steadily restricting access to the program, it cannot be restricted so much as to deny access to the program.



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Eligibility Standards for SSI-Related Programs

Coverage Group	Income Limit	Asset Limit
Supplemental Security Income (SSI) Individual*	\$ 710	\$ 2,000
Supplemental Security Income (SSI) Couple*	\$ 1,066	\$ 3,000
ICP/HCBS/Hospice/HCDA Individual	\$ 2,130	\$ 2,000
ICP/HCBS/Hospice/HCDA Couple	\$ 4,260	\$ 3,000
MEDS-AD/ICP-MEDS/Individual (88% FPL)	\$ 834	\$ 5,000
MEDS-AD/ICP-MEDS/Couple	\$ 1,129	\$ 6,000
QMB Individual (100% FPL)	\$ 947	\$ 7,080
QMB Couple	\$ 1,283	\$ 10,620
SLMB Individual (100-120% FPL)	\$ 1,136	\$ 7,080
SLMB Couple	\$ 1,539	\$ 10,620
QI1 Individual (120-135% FPL)	\$ 1,279	\$ 7,080
QI1 Couple	\$ 1,732	\$ 10,620
Working Disabled Individual (200% FPL)	\$ 1,894	\$ 5,000
Working Disabled Couple	\$ 2,565	\$ 6,000
Protected Medicaid	See A-11 and policy in Chapter 2000	

Medicare Part B Premium	\$ 104.90	
Medicare Part A Premiumz	Number of Qualifying Quarters of Employment	
	Free	40 or more
	\$ 243	30 to 39
	\$ 441	Less than 30
Personal Needs Allowance ICP/ICP-MEDS/Hospice (Institution) Hospice (Community) 100% FPL Assisted Living Waiver LTC Community Diversion/PACE (resident of assisted living facility)	\$ 35 \$ 947 \$ 788.40 Facility Room and Board Charge, plus 20% of the FPL (\$190 individual, \$380 couple)	
Spousal Impoverishment Minimum Monthly Maintenance Income Allowance (MMMIA) Excess Shelter Standard Standard Utility Allowance Maximum Community Spouse Income Allowance (MMMIA plus excess shelter allowance cannot exceed this figure) Community Spouse Asset Allocation Standard Home Equity Interest Limit	\$ 1,892 \$ 568 \$ 343 \$ 2,898 \$ 115,920 \$ 536,000	



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Income Limits 2013

Applicant - \$2,130 per month (gross).

Spouse - Income not counted.

Asset Limits 2013

Single Applicant
\$2,000*

Married Applicant
\$2,000 plus \$115,920 for the spouse*

* add \$3,000 if applicant's income is less than \$834 per month

Jargon Cutter

Community Spouse - the wife or husband not in the nursing home.

ICP - Institutional Care Program, the particular type of Medicaid that pays for nursing home care. ICP has different rules than other types of Medicaid.

Income Cap - the amount of gross income an applicant can have without being ineligible for benefits. If over income, an income trust is needed.

Level of Care - a measure of how sick an applicant is to determine eligibility.

Medwaiver - program that may pay for assisted living facility expenses as opposed to the nursing home.

Miller Trust - original name for an income trust.

MMMIA - minimum monthly income allowance, the amount of the applicant's income that may be diverted to the "community" spouse. (\$1,892 - \$2,898)

Nursing Home Diversion Program - a Medwaiver program that helps pay the cost of care at home and in an assisted living facility.

Resource Limit - the amount of assets the applicant can have.

Assets

Assets are either *countable* or *non-countable*. The most significant non-countable assets are the home (the first \$536,000), car, and irrevocable burial contract.

Income Trust

If the applicant has too much income, an income trust must be drafted and properly funded prior to application. The applicant must transfer at least amounts over \$2,130 to the trust each month.

Look Back Periods

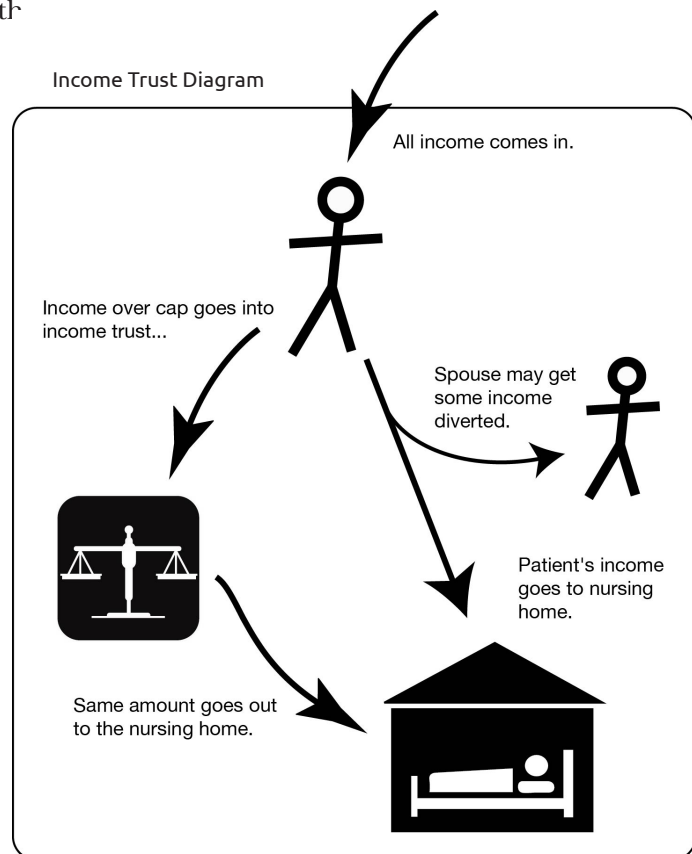
- 36 months for transfers to individuals increasing to 60
- 60 months for trusts.

Transfer Rules and Penalties

An improper transfer of assets makes the applicant ineligible for benefits from the date of application for Medicaid benefits. There is no penalty for a transfer made to a spouse or disabled child.

Calculating the transfer penalty:

$$\frac{\text{Amount transferred}}{7,362} = \text{Number of months disqualified.}$$



Sean W. Scott
Elder Law Attorney

3233 East Bay Drive • Largo • Florida 33771
727.539.0181