

ELDER LAW UPDATE

Vouga Elder Law, LLC
Veteran & Senior Asset Protection

Helping YOU Get YOUR Ducks In A Row



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The Basics of Medicaid or... “What You CAN and CANNOT Keep”

In order to understand Medicaid qualifications, you first need to know how Medicaid treats your assets. Basically, Medicaid breaks your assets down into two separate categories. The first are those assets that are exempt and the second are those assets which are non-exempt or countable.

Exempt assets are those that Medicaid will not take into account (at least for the time being). Listed below are the following assets that are generally exempt.

- **The Home** (so long as the equity is not greater than \$500,000.) The home must be the principle place of residence. The nursing home resident may be required to show some “intent to return home,” even if this never actually takes place.
- **Household and personal belongings**, such as furniture appliances, jewelry and clothing.
- **One vehicle**, there may be some limitation on value.
- **Prepaid funeral plans/burial plots and/or cash value of life insurance policies**, as long as the face value of all policies added together does not exceed \$1,500. If it does exceed \$1,500 in total face amount, then the cash value in

For a married couple the “community spouse” (*i.e.* the one not needing nursing home care) can generally keep one half of the couples assets up to a maximum of \$109,560. Of course, there are things that can be done to protect assets beyond these levels. This

these policies is countable. Also, term life insurance is exempt.

- **Cash** (*e.g.* a small checking or savings account) not to exceed \$999.99.

Those are basically the assets that Medicaid will ignore, at least for now. Keep in mind, however, that the estate recovery unit may come back to recoup payments made to a Medicaid recipient after the death of the recipient and the recipient’s spouse, if they are married.

Most other assets that are not exempt (*i.e.* the ones not listed earlier) are countable. This includes checking accounts, savings accounts, certificates of deposit, money market accounts, stocks, mutual funds, bonds, IRAs, 401(k)s, pensions, second cars and so on. While there are some minor exceptions to these rules, for the most part, all money and property, as well as any item that can be valued and turned into cash is a countable asset, unless it is one of those listed earlier as exempt.

While the Medicaid rules themselves are complicated and somewhat tricky, for a single person it’s safe to say that you will qualify for Medicaid so long as you have only exempt assets plus a small amount of cash, (*i.e.* \$999.99). This issue of Elder Law Update is designed to review the basics in the way which a caseworker from Division of Family Services would do so. Call to attend of our workshops to learn some of the things that can be done to preserve and protect assets from Medicaid.

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