



GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health Care Finance



Long Term Care Medicaid
Resources/Assets Frequently Asked Questions (FAQ) Sheet

What financial factors are considered when a person applies for LTC Medicaid Coverage?

Medicaid uses the value of a person's countable resources as one of two financial criteria in determining eligibility. The other financial factor that is considered is income.

What are resources?

Resources are cash and any other personal or real property that an individual or spouse owns and:

- has the right, authority, or power to convert to cash (if not already cash); and
- is not legally restricted from using for his/her support and maintenance.

What is the difference between income and resources?

Income is cash or its equivalent (like a check or money directly deposited into a bank account). Checks, cash, and direct deposits that are received during the current month are counted as income not resources. Examples of income are Social Security benefits, private pension checks, retirement checks, wages, and salaries. If the income is kept or retained into the following month it is considered a resource. Resources are evaluated when a person applies for Long Term Care (LTC) Medicaid.

How are resources evaluated when determining someone eligible for LTC Medicaid?

All resources such as bank accounts, credit union accounts, stocks, bonds, annuities, trusts, funds held in a continuing care retirement community, and individual retirement accounts. In addition, your motor vehicles, recreational vehicles, land, the cash value of life insurance and

real estate such as home property, land, and non-home property to determine what resources should and should not be counted.

What is the resource limit for LTC Medicaid Eligibility?

The resource limit for an individual is \$4,000. The resource limit for a couple is \$6,000.

Does the value of all resources count when determining my eligibility for Medicaid?

No, although the LTC Medicaid application requires that you provide information about all of your resources, not all of those resources are counted. For Example: The value of the home that an applicant lives in or lived in before going into a nursing home is not counted as a resource for Medicaid eligibility if the equity value is below \$840,000. The value of one car is not counted for Medicaid eligibility purposes either.

Are there any other excluded resources that are not considered when determining eligibility for LTC Medicaid?

Yes the following resources are not counted when determining eligibility for Medicaid long term care:

- The equity value of a home the individual lives in or lived in up to \$840,000 prior to going into a long term care facility;
- One car;
- Life Insurance with a face value of \$1,500 or less;
- Burial plots held for the applicant or his/her spouse;
- Funds set aside and earmarked for burial; and
- Household Goods and personal effects (furniture, televisions, appliances paintings etc.)



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**How is the value of a resource determined?
determine the value of resources?**

The current market value (CMV) or fair market value (FMV) of a resource minus any lien or amount legally owed on the resource.

For real property, the FMV is 100% of the tax assessed value. To determine a value of a car, the average trade-in value listed in the National Automobile Dealers Official Used Car Guide (NADA) Guide.

**Whose Resources Count When I apply for
Medicaid?**

For a single individual who applies for Medicaid, the only resources that are counted are those that the individual owns.

For a married individual who applies for Medicaid long term care, the total value of the couple's countable resources is evaluated for the first month of the individual's long term care. After the first month of long term care, up to \$120,900 of the couple's total countable resources can be transferred to the community spouse under the special community spouse Medicaid rules.

Example: John and Mary are a married couple with total countable resources consisting of \$123,900 in a savings account. John goes into a nursing home in June 2017. For the first month of institutionalization, the total countable resources held by the couple, \$123,900, are compared to the resource limit for two, \$6,000. Since the countable resources exceed the resource limit, John is ineligible in June 2017. In July 2017, John is considered a household of one. Since up to \$120,900 can be transferred to Mary as a

community spouse resource allowance, the remaining \$3,000 is the value of John's resources. He meets all other Medicaid eligibility criteria and his resources are below the \$4,000 limit. He is therefore enrolled in Medicaid long term care.

**Can I give away my resources so that I can
become eligible for Medicaid?**

If you sell, give away, or get rid of resources for less than fair market value solely to become eligible for Medicaid, you may be determined ineligible for Medicaid long term care services for a penalty period.

**Can I spend-down my resources to become
eligible for Medicaid?**

If the total value of your countable resources exceeds the resource limit, you may purchase items for yourself in order to reduce your total countable resources.

Example: John has \$10,000 in a checking account and therefore his May 5, 2017 application for Medicaid long term care services has been denied. On June 5, 2017 John purchases a new electric wheelchair which costs \$7,000. The only other resources that he owns are his home and his automobile which are excluded when evaluating eligibility. John reapplies for Medicaid long term care services on June 7, 2017 and meets all criteria for Medicaid including the \$4,000 resource limit. He is therefore determined eligible and enrolled in Medicaid.

Questions regarding this FAQ should be directed to Division of Eligibility Policy by email at DCMedicaidquestions@dc.gov.