

MEDICAID ELIGIBILITY - 2016

There are three categories of eligibility requirements, all of which must be satisfied in order to qualify for Medicaid benefits.

MEDICAL NECESSITY

Includes two requirements, both of which must be met.

1. One must have been institutionalized (e.g. in a nursing home) for a period of at least 30 days. However, under certain circumstances Medicaid benefits are available to those requiring a lower level of care at home under the Home and Community Based Services ("HCBS") waiver program or under Program for All-inclusive Care for the Elderly ("PACE"), which is also known as InnovAge.
2. One must be able to show a medical need for the institutionalization. This is verified by the assessor for the Single Entry Point provider on the LTC Form 100.2.

Persons under 65 years of age must be able to show they are disabled or blind.

Disputes typically arise when an individual has some kind of cognitive disability and is on the borderline for having a medical need for institutionalization.

INCOME LIMITATIONS

The income cap maximum in Colorado is \$2,199, which is arrived at by taking the current SSI benefit level \$733 in the year 2016 and multiplying it by three.

Gross income is used in this calculation.

This means the cost of the Medicare Part B insurance premium must be included in the calculation because this amount is automatically deducted from a person's Social Security benefits (the premium is \$104.90 in 2016, but may be higher based upon income.)

The spouse's income is not included in this calculation and is not counted for eligibility.

RESOURCE LIMITATIONS (Assets)

The general rule is that the individual seeking Medicaid benefits cannot have “countable” resources in excess of \$2,000.

The residence is an exempt asset and is not a countable resource, however, the equity of the residence is limited to \$552,000 for an unmarried individual. If the community spouse resides in the home, the equity value is unlimited.

Limited techniques for sheltering assets such as gifts may be available, however, technical rules apply and efforts to shelter assets should be undertaken only after obtaining legal advice applicable to the specific factual situation at issue.

The Deficit Reduction Act of 2005 (“DRA”) increased the “look back” period from 3 to 5 years and drastically changed the timing of penalties imposed. Transfers prior to the effective date of February 8, 2006 fall under the old regulations and are subject to the 3 year “look back” period. The penalty period for these transfers began to run on the date of the transfer. Transfers made on or after February 8, 2006 are subject to DRA which has a 5 year “look back” period. More importantly, the penalty period on these transactions does not begin to run until the applicant is otherwise eligible for Medicaid.

Exempt Resources

1. Residential Property

The home property is exempt from consideration up to \$552,000 in equity for single recipients so long as the individual retains an intent to return to the residence, even if medical reality dictates that the only reason to return to the home would be to die there.

If the community spouse resides in the home, the equity value is unlimited.

No intent to return to the residence is necessary if the individual’s spouse or certain dependent relatives continue to live in the residence.

2. Motor Vehicles

One motor vehicle is exempt with a market value of up to \$4,500.

However, if the vehicle is used for the individual’s benefit, such as trips to the doctor or picking up prescriptions, then there is no limit on the value.

When there is a spouse remaining at home, referred to as the “community spouse,” the value of a vehicle in the spouse’s name is exempt regardless of the purposes for which it is used and regardless of its dollar value.

3. Personal Property

Personal Property is exempt up to an aggregate value of \$2,000.

One's personal property is assumed to be worth less than this amount unless the individual owns items of "unusual value." Generally, the value of personal property is excluded.

A wedding or engagement ring of any value is exempt, as are items required by a physical condition (e.g. a wheelchair or hospital bed). Once again, the dollar limitation is completely lifted for household goods and personal effects of the community spouse.

4. Life Insurance

A small amount of life insurance is exempt (\$1,500 cash value).

5. Burial Insurance

There is no limit on the value so long as the policies are "irrevocable."

Spousal Impoverishment

For married couples, the non-Medicaid spouse, also known as the community spouse, is entitled to retain a Community Spouse Resource Allowance ("CSRA") of \$119,220 in non-exempt resources. If an individual's continuous period of institutionalization began after July 1, 1995, the current Maximum Resource Allowance (which equals the total of the couple's non-exempt resources) can be no more than \$121,220 (comprised of the CSRA of \$119,210 + \$2,000 which the institutionalized spouse is entitled to retain).

All countable resources owned by either spouse, whether jointly or solely, are included in the calculation.

Under certain circumstances, the community spouse is entitled to an allowance out of the resident's income (certain dependent family members are also entitled to an allowance).

This allowance is calculated by determining the community spouse's monthly income. The monthly income is then subtracted from a figure called the "Minimum Monthly Maintenance Needs Allowance." This figure is \$1,992 which will be adjusted again as of 7/1/16. The result is deducted from the institutionalized spouse's income and is paid to the community spouse. Maximum Monthly Maintenance Needs Allowances is \$2,981. The excess shelter allowance is \$598.

Professional advice should be sought regarding the technical rules applicable to this allowance.

2016 Financial Eligibility Figures for Medicaid

Supplemental Security Income Cap (Individual)	\$ 733.00
Colorado Income Cap (300% of SSI)	2,199.00
Personal Needs Allowance	79.57
Spousal Impoverishment Avoidance: Community Spouse Resource Allowance (For Couple when both reside in facility \$3,000)	119,220.00
Maximum Monthly Maintenance Needs Allowance (Adjusted as of 1/1/16)	2,981.00
Minimum Monthly Maintenance Needs Allowance CAP (Adjusted as of 7/1/15)	1,992.00
Excess Shelter (Increased as of 7/1/11)	598.00
Standard Utility Allowance (3/1/06)	490.00
Medicare Part A Premium (Payable by seniors and disabled with less than 30 quarters - Most seniors don't pay this)	411.00
Reduced Part A Premium (Payable for those having 30-39 quarters)	-----
Medicare Part B Premium (Helps pay for physician services, ambulatory care and other services. Premium is higher if annual income exceeds \$82,000 -\$102,000 single or \$164,000-\$205,000 married.)	104.90
Medicare Skilled Nursing Facility Co-Insurance (Co-pay days 21- 100 each benefit period)	157.50
Statewide Average Nursing Home Private Pay Rate (divisor for computing penalty periods)	7,563.00
Regional Private Pay Rates (Miller Trust Eligibility Upper Limit Cap)	
Region I Adams, Arapahoe, Boulder, Denver and Jefferson	8,287.00
Region II Cheyenne, Clear Creek, Douglas, Elbert, Gilpin, Grand, Jackson, Kit Carson, Larimer, Logan, Morgan, Park, Phillips, Sedgwick, Summit, Washington, Weld, Yuma	7,781.00
Region III Alamosa, Baca, Brent, Chaffee, Conejos, Costilla, Crowley, Custer, El Paso, Fremont, Huerfano, Kiowa, Lake, Las Animas, Lincoln, Mineral, Otero, Prowers, Pueblo, Rio Grande, Saguache, Teller	6,930.00
Region IV Archuleta, Delta, Dolores, Eagle, Garfield, Gunnison, Hinsdale, La Plata, Mesa, Moffat, Montezuma, Montrose, Ouray, Pitkin, Rio Blanco, Routt, San Juan, San Miguel	7,256.00

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