

NEW YORK MEDICAID FACT SHEET 2012
MEDICAID & LONG-TERM CARE
(This information pertains only to the state of New York)

What is Medicaid?

Medicaid is a government program, which is co-funded by Federal and State governments and administered at the local (county) level in many instances. Unlike Medicare, Medicaid beneficiaries must provide evidence of both medical and financial eligibility to qualify for medical assistance for nursing home or home health care. There is no age requirement needed to qualify for Medicaid.

Are Medicaid Benefits the same in every State?

No. Each state sets its own eligibility requirements for Medical assistance from the Medicaid program. It is also worth noting that, while states may have consistency in their rules, to the extent local (county) governments administer the program there may be differing interpretations of the state rules. It is, thus, vitally important that clients seek out competent Elder Law assistance for advocacy.

What are the financial requirements for Medicaid (for facility care)?

Single individuals are allowed to keep \$14,250 (2012) in cash and other limited assets such as a burial account (\$1500 max) or exempt irrevocable funeral trust, a pre-paid funeral arrangement, personal jewelry and term life insurance. A personal needs allowance of \$50 per month is also allowed.

For married couples, there is a Community Spouse Resource Allowance (CSRA), which allows the community spouse to retain a minimum of \$74,820¹ or ½ of the couple's assets up to a maximum of \$113,640 (2012). If the community spouse is residing in the primary residence, the residence is not counted as an available resource for Medicaid spend-down². The community spouse may also keep all of his or her own earned income and social security income. However, the community spouse may be asked to contribute 25% of any income that exceeds \$2,841 per month (2012).

If the income of the spouse remaining in the community is not at least \$2,841 (2012) per month, the nursing home spouse may be allowed to transfer income to the community spouse to meet the minimum income allowance.

May I transfer of gift assets to qualify for Medicaid?

Under the Deficit Reduction Act of 2005 (DRA), assets that are transferred (gifted) are subject to a look back period of 60 months regardless of whether they are transferred to an individual or to an irrevocable trust. Any assets which are transferred during the look back period may create a period of ineligibility, during which time the Medicaid applicant may not qualify for Medicaid, based on the amount of the transfer and the Medicaid rate in effect for your local area (*see figures at bottom of next page*). This change renders the previous concept of "half a loaf" planning much less attractive.

¹ a higher amount may be established by court order or fair hearing decision to generate income to raise the community spouse's income to the Minimum Monthly Maintenance Needs Allowance.

² note that, under the Deficit Reduction Act, an individual Medicaid applicant (who expects to return to the home) with over \$758,000 (in NY-2012) in equity in her home will not qualify for Medicaid until the excess equity above that amount is spent down.

Are the financial requirements the same for home care benefits under Medicaid?

No. A married couple may not have more than \$20,850 (2012) in resources, and no more than \$1,159 per month of income (plus a \$20 “exemption” amount) to qualify for Medicaid home care benefits. (2012); Individual applicants may not have more than \$14,250 in assets and not more than \$792 per month (plus \$20 “exemption”) of income. (2012).

What are the Countable and Non-Countable Assets under Medicaid?

Countable Assets include:

- Cash
- Investment Properties
- Stocks & Bonds
- IRA’s*
- Savings Bonds
- Certificates of Deposit
- Single Premium Deferred Annuities*
- Cash Value of Life Insurance
- 401K Plans*
- Vacation Homes
- Second Vehicles
- All Assets Not Listed as Non-countable

** assets held in “Tax Qualified” accounts may be exempt if they are in “periodic payment” status based on Medicaid Guidelines*

Non-Countable Assets Include:

- House used as a primary residence
- Personal Jewelry
- Pre-Paid Funeral Arrangements
- Term Life Insurance
- Cash Under \$14,250
- Household effects
- Burial Accounts (\$1,500)
- TQ Assets in periodic payment status

Additional Notes:

- DRA requires that the state be named as remainder beneficiary of any income annuity with benefits payable after the Medicaid recipient’s death.
- The purchase of a life estate is also considered a transfer of assets unless the Medicaid applicant resides in the home for at least 12 months after the effective date of the life estate transaction.
- **Special Note:** There is also pending legislation in NY to broaden those assets that may be recoverable after a Medicaid recipient’s death (Medicaid “Estate Recovery”) - that legislation may cause certain life estates to be partially includable in such recovery.

Finally, here are the **2012 Regional Medicaid rates** used for, among other things, calculation of the penalty period under the Medicaid “look back” rules:

<u>Region</u>	<u>Monthly Rate</u>	<u>Region</u>	<u>Monthly Rate</u>
Central	\$8,015	Northeastern	\$8,540
Long Island	\$11,849	Rochester	\$9,363
New York City	\$10,957	Western	\$8,337
Northern Metropolitan	\$10,335		

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