

THE BASICS OF MEDICAID

WHAT YOU CAN AND CANNOT KEEP

(Revised March 2014)

In order to understand Medicaid qualification, 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 which are exempt and the second are those assets which are non-exempt or countable.

Exempt assets are those which Medicaid will not take into account (at least for the time being). While the laws in different states differ in some respects, generally the following assets are exempt:

- **The Home**, up to \$543,000. The home must be the principal 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** and burial plots.
- **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 these policies is countable. Term life insurance is also exempt.
- **Cash** (e.g. a small checking or savings account) not to exceed \$999.99 in Missouri.
- These are the basic assets, which 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.

All other assets which are not exempt (i.e. the ones not listed earlier) are countable. This includes checking accounts, savings accounts, stocks, mutual funds, bonds, IRAs, pensions, second cars and so on. While there are some minor exceptions in 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.

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. less than \$999.99)

For a married couple the community spouse (i.e. the one not needing nursing home care) can generally keep one-half of the assets up to a maximum of \$117,240. Of course, this does not mean there are not things that can be done to protect assets beyond these levels. **Single** persons can often protect **50% or even more** of their assets, and **married couples** can often protect **all their assets**.

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