

MEDICAID PAYMENT FOR NURSING HOME CARE

Single Individuals

Many people rely on Medicaid, also known as Title 19, to pay for their nursing home care. Medicaid generally pays for nursing home care of single people if their income is \$1,911 or less per month and their "countable" resources are \$2,000 or less. In some instances, people with incomes above \$1,911 per month may be eligible with a medical assistance income trust, also known as a Miller Trust. Resources that do not count towards the \$2,000 limit include a car, homestead, household goods, and prepaid burial accounts.

Married Couples

Medicaid payment is much more complicated for married couples. The Medicaid program allows the spouse who lives outside of the nursing home, called the "community spouse", to have more than \$2,000 in "countable" resources.

Apply for Medicaid Immediately.

Many married couples do not apply for Medicaid when one of them enters a nursing home. Instead, they wait until most of their assets are gone.

This is a big mistake. Married couples should generally go to the Department of Human Services (DHS) to apply for Medicaid as soon as one of them enters a nursing home. DHS will decide how many assets each spouse can keep.

DHS will first add up all the couple's "countable" resources. It does not matter which spouse owns the resources. DHS will attribute one-half of the "countable" resources to each spouse, provided the community spouse is attributed a minimum of \$24,000 and a maximum of \$104,400. If the amount of resources attributed to the spouse in the nursing home is more than \$2,000, the couple must spend down their "countable" resources until the resources are less than the amount attributed to the community spouse, plus \$2,000. It is generally best to not spend the resources until after the person has entered the nursing home. The resources may be spent on anything that benefits either spouse.

Appeals May Allow More Assets to be Kept.

Couples who have more than \$24,000 in assets should not assume that the initial DHS decision is the best decision for them. By appealing the initial DHS decision, an administrative law judge may set aside additional resources for the community spouse. The amount of additional resources that can be set aside depends on the couple's income and life expectancy.

After DHS finds that the spouse in the nursing home is eligible for Medicaid, all of their countable resources should be transferred to the community spouse. All the resources that DHS does not count, such as the home and car, should also be transferred to the community spouse.

There are many other rules for Medicaid eligibility, including rules for transferring assets. These rules are often complex and confusing. Please contact the Legal Hotline for Older Iowans to receive advice about your particular situation.

This information is from the Legal Hotline for Older Iowans 1-800-992-8161. The Hotline is a project of Iowa Legal Aid that is partially funded by the U.S. Administration on Aging. The Hotline is a free, confidential service for all Iowans 60 or older with questions on non-criminal legal matters.