

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

CHAPTER 300 - Resources

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302.07.05 ESSENTIAL PROPERTY EXCLUSION - LIBERALIZED POLICY

Under liberalized resource policy, the essential property exclusion is applied as follows:

Property Essential to Self Support Under Liberalized Policy

As previously indicated, property essential to self support, defined as property used in a trade or business, government permits and personal property used by an employee for his job, is excluded regardless of value or rate of return. The procedures for documentation and verification for each type are discussed in Section 302.07.02 above.

Property Used to Produce Goods or Services Under Liberalized Policy

The \$6000 exclusion cap is lifted under liberalized policy; therefore, property used to produce goods or services essential to daily living is also excluded regardless of value or rate of return. The procedures for documentation and verification of this type of property are discussed in Section 302.07.03.

Non-Business, Income-Producing Property Under Liberalized Policy

With the \$6000 exclusion cap lifted under liberalized policy, non-business, income-producing property must produce a net annual return of 6% of the EV of each property. If multiple properties are involved, each must be evaluated under the 6% rule. The procedures for documentation and verification of this type of property are discussed in Section 302.07.04.

NOTE: Property that a client sells via a property settlement agreement must meet the 6% net annual return criteria and the agreement must be actuarially sound in order to avoid a possible transfer of resources penalty for the institutional client as discussed in Section 302.02.02.