

**DIVISION OF MEDICAID
SPECIAL NEEDS TRUST GUIDELINES**

Medicaid's guidelines for payments and distributions from a Special Needs Trust are listed below. Medicaid will use these guidelines in its review of the annual accounting for the trust. **The Medicaid eligibility of the beneficiary of the trust may be affected if these guidelines are not followed.**

1. Payments for medical expenses that are not paid by Medicaid are allowed to be made from the trust. (The differential between the cost of a private room and a semi-private room in an institutional setting is not an allowable expense.
2. Gifts must not be made from the trust.
3. Compensation must not be paid to a family member from the trust for services rendered as trustee.
4. Compensation must not be paid to a family member from the trust for services rendered as a caregiver to the beneficiary.
5. Medicaid will allow the purchase of residential real property by the trust if the residence is specially equipped (i.e. wider doorways to accommodate wheelchairs, ramps, handrails, etc.) to meet the needs of the beneficiary and if the property serves as the beneficiary's place of residence. If the beneficiary does not require a home to be specially equipped the purchase of residential real property will not be allowed as an expense for the trust. The trust must be the owner of any real property purchased by the trust. Additions or improvements to an existing property will be allowed only if the additions or improvements are made to accommodate the special needs of the beneficiary.
6. The payment of ad valorem taxes and/or insurance premiums on real property will be allowed only if the property on which the taxes are paid is a residence that has been specially equipped to meet the needs of the beneficiary. Payment of utilities is considered as a part of maintenance and support and not as a special need and will not be allowed by Medicaid.
7. Medicaid will allow the purchase of a vehicle by the trust only if it is specially equipped to allow the beneficiary to operate the vehicle or to be transported in the vehicle. Medicaid will not allow the purchase of any vehicle that is not specially equipped. If the beneficiary does not require special equipment in order to operate the vehicle or to be transported in it the purchase of a vehicle will not be allowed unless undue hardship results for the beneficiary. Medicaid must approve this undue hardship prior to the purchase of the vehicle. The payment for tags, insurance and repairs on a vehicle will be allowed only if the vehicle is specially equipped. Payments for gasoline and other operating expenses are not considered special needs but are considered as a part of basic maintenance and support. The trust **must not** be the owner of any vehicle that is purchased.

8. Payments for vacations and trips must not exceed \$2,000.00 during any calendar year.
9. Payments for recreational opportunities, family visits, or visits to friends must not exceed \$2,000.00 during any calendar year. No payments are to be made to family members or friends for expenses incurred in visiting the beneficiary.
10. Payments for non-medical expenses such as radios, televisions, audio equipment, video equipment, computer equipment or electronic devices and/or equipment are limited to one purchase of each type every five (5) years and the total expenditure for these types of expenses must not exceed \$5,000.00 during any calendar year.
11. The payment of burial expenses, the purchase of pre-need burial contracts or the payment of burial insurance premiums are not considered special needs and are not to be made from the trust until after Medicaid has been reimbursed upon the termination of the trust.
12. Payments for food, clothing, rent, mortgage payments, furniture, appliances and household help are considered to be items of basic maintenance and support and not special needs. Such payments must not be made from the trust.
13. Distributions from the trust directly to the beneficiary or to a beneficiary's bank account will be considered as income to the beneficiary in the month in which the distribution is made.

If there are questions as to whether a proposed expense will be allowed by Medicaid, the Trustee should call Jerlin Parks, Division of Medicaid, Office of Eligibility, at 601-359-6120 to determine Medicaid's position prior to making payment.

As trustee of the _____ Special Needs Trust, I acknowledge receipt of these guidelines. I understand that my failure to follow these guidelines may affect the Medicaid eligibility of the beneficiary of the trust.

(Trustee's Signature)

(Trustee's name printed)

(Date signed)