

SPOUSAL RESOURCE and INCOME RULES



MISSISSIPPI DIVISION OF
MEDICAID

The following Medicaid rules apply to a legally married couple when:

- One spouse enters a nursing facility or hospital for 31 days or longer or enrolls in a Home & Community Based Waiver (referred to as the ***Institutional Spouse*** or ***IS***), and
- The other spouse remains in the community and lives at home or with others or in a retirement community (referred to as the ***Community Spouse*** or ***CS***).

For these rules to apply, an application for Medicaid must be filed and:

- The IS must have entered a nursing facility or hospital, *or*
- The IS and CS must live together in the same household if the IS applies for a Home & Community Based Waiver program.

Resource Rules

The value of all ***countable*** resources belonging to the IS and the CS must be determined.

This includes countable resources owned jointly or individually by the couple or their fair share of any resources owned with other persons. The equity value of a resource counts, i.e., the current market value of a resource less any legal debts owed.

Once the equity value of each countable resource is verified, the total value of spousal resources is determined and compared to the following limits:

- The IS resource limit is \$4,000, and
- The CS resource limit is \$148,620 for calendar year 2023.

Any amount over the combined total of these 2 limits is considered to be available to the IS, meaning the IS cannot be eligible until excess resources are spent.

If the CS also plans to apply for Medicaid, the CS resource limit may not apply. The CS must be below the resource limit that applies to the at-home Medicaid coverage group

Electronic Verification of Financial Accounts

When you sign the application for Medicaid, you give the Division of Medicaid consent to verify funds held in a financial institution, such as banks and credit unions, through electronic matching of Social Security Numbers belonging to both the IS and CS. Account balances, including balances during the 5-years prior to applying for Medicaid, are used to determine if any accounts have been given away and are used to determine current eligibility for the IS. There are instances that

require that we ask you or your representative to provide verification of bank account activity, such as:

- When accounts are discovered that you did not declare on your application or interview,
- When accounts are discovered that belong, in part or in full, to the CS (that do not have the name of the IS on the account),
- When account balances result in ineligibility for the IS, and
- When account information is inconsistent with what you declared on the application.

Countable resources do not include:

- ✓ The equity value of the home does not count (unless the equity is more than \$688,000);
- ✓ Certain income-producing property does not count if it produces at least 6% of the equity value (this does not include annuities or promissory notes which are evaluated differently);
- ✓ 1 automobile is not counted;
- ✓ Personal property is not counted up to a \$5,000 limit;
- ✓ The cash value of whole life insurance policies do not count if the face values of all policies on an insured totals \$10,000 or less. Term life insurance does not count;
- ✓ Money set aside for burial up to \$6,000 does not count.

90-Day Period to Transfer Resources to the CS

When the IS' resources exceed \$4,000, but the total countable resources for the couple are below the combined limits, a 90-day transfer period is allowed to transfer ownership of resources into the CS' name with the following results:

- The IS has ownership of resources under the \$4,000 limit and
- The CS has ownership of resources that will total less than the CS limit shown above.

If the IS meets all other Medicaid qualifications, Medicaid eligibility can be approved prior to or during the 90-day period. The 90-days begins with the date the Medicaid Specialist informs the CS in writing of the resource transfers that must take place to arrange resource ownership according to spousal rules. **Exception:** Transfers to the Community Spouse must take place prior to approving a long term hospital admission.

Options to Reduce Excess Resources

If total resources are above the limits allowed for an IS and CS, the CS can spend-down the excess to allow the IS to qualify for Medicaid. Allowable options include:

- Pay for burial expenses (purchase a pre-paid burial arrangement or add money to an existing arrangement if it is not enough to pay for final expenses),

- Pay household bills such as credit card debt or other outstanding loans with a balance owned,
- Purchase items that are needed by the IS or CS,
- Purchase investments that will produce income for the CS,
- Pay for the cost of care in the nursing facility.

The only requirement for spending down excess resources is that the funds are used for the benefit of the Institutional Spouse and/or Community Spouse or a minor or disabled child of the IS or CS.

Income Rules

When an IS qualifies for Medicaid in a nursing facility, income belonging to the IS is available to pay toward the cost of his/her care in the facility. This is referred to as Medicaid Income.

Medicaid Income is not payable for a long term hospital admission or HCBS waiver program or during the time Medicare pays for the cost of the nursing facility room and board.

The CS may qualify for all or a portion of the income of the IS, depending on the actual income of both the IS and CS. Income belonging to the CS is compared to a maximum limit of \$3,715.50. If the total income of the CS is less than this maximum, the CS may qualify for a spousal allocation of the CS' income.

For example: the IS has income of \$1,000 in Social Security. The CS has income of \$500 in Social Security. The CS' income of \$500 when compared to the maximum leaves a deficit well over \$1,000. This means the CS will qualify to receive all of the income belonging to the IS and there is no Medicaid Income to pay the nursing facility.

NOTE: If the CS is eligible for Medicaid or wants to apply for Medicaid while living in the community, it is possible to adjust the amount of the spousal allocation so the amount received from the IS will not result in the loss of Medicaid for the Community Spouse.

Spousal resource and income rules no longer apply when any of the following occurs:

- The death of the IS or CS,
- The divorce of the IS/CS,
- The IS is discharged from the nursing home, hospital or HCBS waiver program, or
- The CS enters a nursing facility.