

# HARRIS LAW & CO.

Protecting Families & Businesses Through All of Life's Journeys

## MEDICAID MAZE: THE BASICS

69% of people over 65 will need long-term care at some point in their life. With the skyrocketing costs of in-home care, assisted living, and nursing homes, people are turning to other options to help them pay for their care. If you'd like more information on the background of Medicaid and your options for funding care, check out our first article in our Medicaid Maze Series under the Be Educated tab of our website at [www.HarrisLawTrust.com](http://www.HarrisLawTrust.com). Now that you know the background, we are going to discuss the basics.

### MEDICAID 101

Medicaid coverage is more expansive than Medicare or private insurance. It provides supplemental benefits, such as personal care attendants. Eligibility can differ among states and even counties. Medicaid is also tied to SSI in many States, including South Dakota. Medicaid may help cover costs associated with:

- Hospitals & Clinics (Inpatient & Outpatient)
- Physicians
- Nurses
- Dentists
- Vision
- Pediatrics
- Laboratory & X-Ray
- **Long Term Care (Nursing Home)**
- Prescription Medication
- Medical Supplies
- Equipment & Appliances (such as Wheelchairs, Hearing Aids, Prosthetic Eyes)
- Non-Emergency Medical Transportation

Medicaid has strict eligibility requirements and not everyone qualifies without careful planning and execution.



Make sure you have a skilled elder law attorney on your side to help ensure you do not miss any steps that cost you time and money.

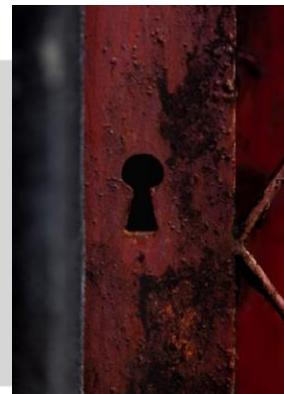
### ELIGIBILITY REQUIREMENTS

- You have to be a US Citizen, Permanent Resident, or Qualified Illegal Immigrant
- You can also qualify if you are a pregnant woman (regardless of citizenship status)
- SSI recipients may qualify
- Children may qualify
- Blind, Disabled, or anyone over the age of 65 may qualify
- You have to be a resident of the state you are applying in to qualify – This is a BIG ISSUE
- You also have to meet strict INCOME, RESOURCE, & TRANSFER LIMITATIONS

One of the easiest ways to be disqualified from Medicaid is to fail the resource, income, or transfer limitations test.

### DO YOU KNOW YOU HOW TO SAVE YOUR ASSETS?

Did you know you can save some assets from the nursing home? Did you know there are planning techniques that help maximize the assets you do have left while still making you eligible for Medicaid? Check out our entire Medicaid Maze Series to learn more or schedule a consultation today. Call 605-777-1772. Knowledge is power.



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EDUCATE.  
EMPOWER.**



**Lindsay M. Harris** is the owner & lead succession planning attorney at Harris Law & Co.

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Check out our website for other helpful articles, videos, & seminar opportunities.

**RESOURCE TEST**

To qualify for Medicaid, your assets cannot exceed \$2,000. To determine the value of your resources, we look at what assets (referred to as resources) count towards that \$2,000 and what assets are excluded.

COUNTABLE ASSETS:		
Cash	Stocks / CDs	Life Insurance
Bank Accounts	Savings Bonds	IRAs / 401(k)s
Personal Property	Land / Real Estate	Vehicles
Anything that can be sold for Cash	Anything that can be used for Food	Anything that can be used for Housing

EXCLUDED ASSETS:		
1 Home (under \$585k)	Personal Effects	Household Goods
1 Vehicle	Burial Effects	Food Stamps
Irrevocable Prepaid Burial Plan	Life Insurance (Face Value of \$1,500 or less)	Joint Ownership in Residence
Real Property Unable to Sell	School Lunch Programs	Grants, Scholarships, Fellowships
Assets in a Special Needs Trust*	Assets in an Irrevocable Trust*	

**INCOME TEST**

You must also pass the income limitation to qualify for Medicaid. If you are single, you can only receive \$2,313 a month in income to be eligible. Income is any item an individual receives in cash or in-kind that can be used to meet needs for food or shelter. This includes social security, pensions, and retirement accounts. The following income is “excluded” and does not count towards your income limitation:

- \$60 of unearned income & \$75 earned income monthly
- Other items if not food or shelter & cannot be used to obtain food or shelter
- Certain Medical & Social Services
- Food & Shelter received during medical confinement
- Personal Services performed for an individual
- Income Tax refunds
- Rebates & Refunds
- Loan Proceeds

**CAUTION:** an item may not be countable income, but if held past the month’s end, it could become a countable resource!

**TRANSFER TEST**

If you pass the income and resource test, the next step is determining if you made a disqualifying transfer. You will be ineligible for benefits if you transferred assets in the previous 5 years prior to submitting your application. Transfers include gifts from you and any sales you made at less than fair market value. This is often where people stretch the truth on their application. **THEY WILL FIND OUT.** Further, the state will go after any remaining assets in your estate to recover costs for any medical assistance provided to you.

Medicaid is complex, but we make it simple. Give us a call at 605-777-1772 for an elder law consultation. Make sure you qualify the first time before assets are lost forever.

*\*This article is for general informational purposes only and is not intended to give specific legal advice. Always consult with an attorney before taking any action.*