



OLR RESEARCH REPORT

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CONNECTICUT MEDICAID: EXEMPT RESOURCES

By: Duke Chen, Legislative Analyst II

You asked what resources the Department of Social Services (DSS) excludes when determining a Medicaid applicant's eligibility.

SUMMARY

When determining a Medicaid applicant's eligibility for the Aged, Blind, or Disabled program, DSS generally uses the same formula to determine which resources to exclude as the federal Supplemental Security Income (SSI) Program. The one difference is DSS' \$1,600 asset limit for a one-person household is more restrictive than SSI's \$2,000 limit.

The formula requires DSS to exclude certain items from being counted as resources. The value of an item may be totally or partially excluded when calculating resources. Couples receive the same exclusions as individuals (e.g., one automobile can be excluded for a couple, not two), but have a higher \$2,400 asset limit.

Table 1 describes the resource exclusions and any limits placed on their value or the length of time they are eligible for exclusion.

Table 1: Medicaid Program Resource Exclusions

Exclusion	Limit on Value or Length of Time?	Description
Home serving as the principal place of residence	No	A home is any property that an individual (and spouse, if any) has an ownership interest and serves as his or her principal place of residence. This property includes the shelter in which an individual resides, the land where the shelter is located, and related outbuildings. These are excluded, regardless of value.
Funds from home sale if reinvested timely in a replacement home	Yes	A home sale proceeds will be excluded if it is used to purchase another home within three months of the date of receiving proceeds.
Jointly owned real property that cannot be sold without loss of housing to the other owner(s)	No	Excess real property which would otherwise be a resource is excluded when it is jointly owned and sale of the property would cause another owner to lose his or her residence.
Real property for as long as the owner's reasonable efforts to sell it are unsuccessful	No	Real property that an individual has made reasonable but unsuccessful efforts to sell will be excluded if (1) the individual continues to make reasonable efforts to sell it and (2) including the property as a resource would result in a determination of ineligibility.
Restricted, allotted Indian land if the Indian or owner cannot dispose of the land without permission of other individuals, tribe, or a federal agency	No	Any interest of an individual (or spouse, if any) who is of Indian descent from a federally recognized tribe in land that is held in trust by the United States for an individual Indian or tribe, or which is held by an individual Indian or tribe and can only be sold, transferred, or otherwise disposed of with the approval of other individuals, his or her tribe, or a federal agency is excluded.

Exclusion	Limit on Value or Length of Time?	Description
One automobile	No	One automobile is excluded regardless of value if it is used for transporting the individual or a household member.
Life insurance, depending on face value	Yes	Life insurance owned by the individual (and spouse, if any) is considered. If the total face value of all life insurance policies on any person does not exceed \$1,500, no part of the cash surrender value is taken into account. Term and burial insurance are excluded.
Burial space or plot held for an eligible individual, spouse, or immediate family member	No	The value of burial spaces for the individual, the individual's spouse, or any immediate family member is excluded.
Burial funds for an individual and spouse	Yes	Up to \$1,500 specifically set aside for the individual (and spouse, if any) is excluded, if it is not mixed with resources not intended for burial.
Certain prepaid burial contracts	Yes	<p>The purchase price of a revocable prepaid burial contract is excludable.</p> <p>If a burial contact cannot be revoked and cannot be sold without significant hardship, it is not a resource. But any portion of the contract that represents burial funds reduces the \$1,500 maximum available for burial funds exclusion, except for any portion that represents the burial space purchase.</p>

Exclusion	Limit on Value or Length of Time?	Description
Household goods and personal effects	No	<p>Household goods are not counted as a resource to an individual (and spouse, if any) if they are: (1) regularly used items of personal property, found in or near the home or (2) items needed by the householder for maintenance, use, and occupancy of the premises as a home. Household goods include furniture, appliances, electronic equipment (such as personal computers and television sets), carpets, cooking and eating utensils, and dishes.</p> <p>Personal effects are not counted as resources to an individual (and spouse, if any) if they are items (1) the individual ordinarily wears or carries or (2) otherwise having an intimate relation to the individual. They include personal jewelry (such as wedding and engagement rings); personal care items; prosthetic devices; and educational or recreational items, such as books or musical instruments. Items of cultural or religious significance and items required because of an individual's impairment are also excluded.</p> <p>Items that were acquired or are held for their value or as an investment are not excluded. They include gems, jewelry that is not worn or held for family significance, and collectibles.</p>
Property essential to self-support	Yes	<p>Within certain limits, the value of property essential to self-support is not counted. Different rules apply depending on whether it produces income.</p>

Exclusion	Limit on Value or Length of Time?	Description
Resources of a blind or disabled person that are necessary to fulfill an approved Plan for Achieving Self-Support (PASS)	Yes	Resources that an individual who is blind or disabled needs to fulfill a PASS are excluded. (The PASS must comply with other Social Security Administration rules.)
Stock held by native Alaskans in Alaska regional or village corporations	No	Transferable shares of stock held by a native of Alaska (and spouse, if any) in a regional or village corporation are excluded.
Retained retroactive SSI or Social Security Disability Insurance (SSDI) benefits	Yes	The unspent portion of any SSI or SSDI retroactive payment is excluded for the nine calendar months following the month of receipt.
Dedicated Accounts	No	Funds in a dedicated financial institution account that is established and maintained for the payment of past-due benefits to disabled children are excluded, if they are not commingled with other funds.
Federal disaster assistance, including accumulated interest	No	Assistance received under the Disaster Relief and Emergency Assistance Act or other assistance provided under a federal statute because of a catastrophe that the President declares or comparable assistance received from a state or local government or from a disaster assistance organization is excluded, as is earned interest.

Exclusion	Limit on Value or Length of Time?	Description
Cash (including accrued interest) and in-kind replacement received from any source at any time to replace or repair lost, damaged, or stolen excluded resources	Yes	Cash (including any interest earned on the cash) or in-kind replacement received from any source to repair or replace an excluded resource that is lost, damaged, or stolen is excluded. It generally applies only if the cash (and the interest) is used to repair or replace the excluded resource within nine months.
Victims' compensation payments	Yes	Any amount received from a fund established by a state to aid victims of crime is excluded for a period of nine months following the month of receipt. The individual (or spouse, if any) must demonstrate that the amount received was compensation for expenses incurred or losses suffered as the result of a crime.
State or local relocation assistance payments	Yes	Relocation assistance provided by a state or local government that is comparable to assistance provided under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is excluded from resources for nine months beginning with the month following receipt.
Tax refunds related to the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC)	Yes	<p>Unspent state or federal tax refunds or payments made by an employer related to an EITC are excluded for the nine calendar months following the month of receipt.</p> <p>Unspent federal tax refunds from a CTC that is received are excluded from resources for the nine calendar months following the month of receipt.</p>

Exclusion	Limit on Value or Length of Time?	Description
Grants, scholarships, fellowships, and gifts used to pay for educational expenses	Yes	Grants, scholarships, fellowships, and gifts used to pay for tuition, fees, and other necessary educational expenses at any educational institution are excluded for nine months from the month of receipt.
State annuities for certain veterans	No	State annuities payments to a person (and spouse, if any) who is a veteran and is blind, disabled, or aged are excluded beginning with the month following the month of receipt and every month thereafter.
Certain items excluded from both income and resources under a federal statute other than the Social Security Act.	Varies	Excludable payments and benefits received under a federal statute other than SSI must be segregated and not commingled with countable resources. They include those relating to Radiation Exposure Compensation, German World War II Holocaust reparation payments, Austrian social insurance payments, Japanese-American restitution, Ricky Ray Hemophilia fund, Agent Orange, Corporation for National and Community Service programs, Individual Development Accounts (IDAs) funded by the Temporary Assistance for Needy Families program, demonstration project IDAs, and energy assistance for low-income households.

Source: Social Security Administration: Resource Exclusions (<https://secure.ssa.gov/apps10/poms.nsf/lrx/0501110210>)
Congressional Research Service Report, "Medicaid Coverage for Long-Term Care: Eligibility, Asset Transfers, and Estate Recovery" (2008)
(<http://aging.senate.gov/crs/medicaid18.pdf>)

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