

MEDICAID GLOSSARY of *UNFAMILIAR* TERMS

COUNTABLE ASSET: Any asset, whether owned individually, or jointly, or by your Revocable Trust, which could be accessed or sold (stocks, bonds, cd's, cash, promissory notes, cash value of life insurance, retirement accounts); excepting however specified "non-countable" or excluded assets, such as your home and car.

COMMUNITY SPOUSE: Term referring to the "at home" spouse, as distinguished from Medicaid Applicant who resides or is about to reside in skilled nursing facility.

COMMUNITY SPOUSE RESOURCE ALLOWANCE: Total Value of Countable Assets which may be owned by Community Spouse upon date of submission of Medicaid Application.

DCF: Department of Children's & Family Services.

DIVESTMENT PENALTY DIVISOR: The State's determined average monthly contribution for nursing home costs. This Divisor Amount is used to determine the Penalty Period imposed for Uncompensated Transfers within the Lookback Period.

INCOME: For the Medicaid Income Test, income means gross income from all income sources including interest, dividends, pensions, Social Security, etc.

LOOKBACK DATE: The Lookback Date is the date your Medicaid Application is filed and date stamped. {See Lookback Period}.

LOOK BACK PERIOD: The Look Back Period is the 5 years (60 months) immediately preceding the date Application is filed. Any gift, sale, assignment, transfer or other disposition of any asset, made by Applicant or Spouse, within the Look Back Period, to a Trust or to anyone other than to spouse must be disclosed and may result in a Period of Medicaid Ineligibility. {See Penalty Period}.

MINIMUM MONTHLY MAINTENANCE INCOME ALLOWANCE: If the gross monthly income of the Community Spouse alone is less than the current MMMIA then a request may be made to reserve/divert (*spousal diversion*) a portion of Applicant's income for the benefit of Community Spouse. If housing expenses exceed the standard "Shelter Allowance" an increased MMMIA may be requested.

MONTHLY INCOME CAP: Florida is an “Income Cap” state. If the Medicaid Applicant’s gross monthly income exceeds the current Income Cap then Applicant is ineligible for medicaid benefits - unless and until an Irrevocable Qualified Income Trust is properly created, *funded*, and maintained.

PENALTY PERIOD: Any and all Uncompensated Transfers made within the Look Back Period (5 years prior to Application) to an Irrevocable Trust or to anyone other than your Spouse, will result in a period of medicaid ineligibility, known as the Penalty Period. The duration of the Penalty Period is calculated by dividing the total of all Uncompensated Transfers by the Divestment Penalty Divisor. Example: If the Divisor is \$9,000 and Uncompensated Transfers total \$31,500, then the Penalty Period is 3.5 months of ineligibility. The Penalty Period does not begin until the Applicant has filed an application and is “otherwise eligible” for Medicaid.

RESOURCE ALLOWANCE / ASSET TEST: For Medicaid eligibility the Countable Assets of individual Medicaid Applicant can not exceed \$2,000, excluding and excepting non-countable assets. Resource Allowance for Couple (husband and wife both seeking medicaid eligibility) is \$3,000.

SNF: Skilled Nursing Facility a/k/a Nursing Home.

SNT: Supplemental Needs Trust a/k/a Special Needs Trust. Estate Planning tool used to provide for supplemental expenses of a Medicaid Recipient without causing loss of eligibility or disqualification for Medicaid.

SPEND-DOWN: The process by which Medicaid Applicant’s Countable Assets are reduced to or below the permitted Resource Allowance amount. Spend-down for Medicaid eligibility is either by Design or Default (either with or without a strategy).

TRANSFERS: The Sale or Gift of any asset by Medicaid Applicant or Community Spouse.

UNCOMPENSATED TRANSFER: An Uncompensated Transfer is a sale or transfer of any asset for less than fair market value. It’s a “Gift”. An uncompensated transfer within the Lookback Period will result in a period of ineligibility!