

MEDICAID BASICS: WHAT ARE “COUNTABLE ASSETS” ?

Generally any asset which you can spend or sell (even if there will be penalties or taxes) is a Countable Asset. But there are some Assets which are exempt or Non-Countable. And some Assets may, or may not, be Countable.

| ASSET | COUNTABLE ? | | | COMMENT |
|---|-------------|----|-------|---|
| | YES | NO | MAYBE | |
| HOME (house, condo, modular) | | X | | If Equity over \$500,000++ then different rules apply |
| VEHICLE (1 car or truck) | | X | | |
| VEHICLE (second) at least 7 years old | | X | | unless second is antique, classic or “luxury” vehicle |
| BURIAL PLOT | | X | | |
| PREPAID FUNERAL OR CREMATION CONTRACT | | | X | Countable if it is the typical “revocable” Contract. Not Countable if the Contract is “Irrevocable” |
| BURIAL FUND | | X | | Up to \$2500 may be held in CD or separate account for “other” funeral related expenses (flowers, travel, lodging, etc.) |
| CASH | X | | | |
| CHECKING ACCOUNT | X | | | If your name is on the Asset it’s yours. |
| SAVINGS ACCOUNT | X | | | If you are a Joint Owner - it’s your asset |
| MONEY MARKET ACCOUNT | X | | | If you have designated the Asset as POD (Pay On Death) or TOD (Transfer On Death) or ITF (In Trust For) for someone else. . . it’s still your Asset. |
| CERTIFICATE OF DEPOSIT | X | | | |
| SAVINGS BONDS | X | | | It doesn’t matter if withdrawal, surrender or sale will cause penalty or taxes. It’s still Countable. |
| STOCK | X | | | |
| MUTUAL FUNDS | X | | | If your name is on any asset, even if it is someone else’s asset, it is presumed to be 100% yours - but the presumption can be overcome by providing facts to contradict. |
| ANNUITIES | X | | | |
| RETIREMENT ACCOUNTS (IRA, 401K) | | | X | Countable until Age 70 ½ when distribution is required, then the Required Distribution is treated as Income and balance in account is Non-Countable. |
| LIFE INSURANCE (often the hidden Asset) | | | X | Cash Surrender Value is Countable Asset. However, if Face Value of all policies is not more than \$2500 then Non-Countable. |

GIFTS ~ “UNCOMPENSATED TRANSFER” OF ASSETS

An “Uncompensated Transfer” is the transfer of all or a portion of your ownership of an Asset to someone without receiving compensation (payment) for the full fair market value. If you “sell” your \$12,000 car to your son for \$100 then you’ve made an Uncompensated Transfer in the amount of \$11,900.

You can transfer or gift Assets between Husband and Wife. If spouse will be seeking Medicaid eligibility, then Applicant’s assets can be re-titled in name of Community Spouse (non-Applicant) and that is okay.

CAUTION: You cannot gift (Uncompensated Transfer) Assets to anyone other than spouse (and not to a trust) or the penalty will be a period of Medicaid Ineligibility.

SPENDDOWN *“Having too much money is only a problem in the upside down world of Medicaid.”*

Engage an Attorney to assist with preservation of assets and to expedite the process of securing Medicaid eligibility.

Payoff or pay down existing debts. Car loan? Mortgage?

Consider the *reasonable* expenses which you will face within the next 18 months and “do it now” !

Replace the roof? Buy the new car? Remodel the kitchen? (invest/spend countable money on non-countable assets)

Purchase Irrevocable Funeral Contract. Find out what is, and establish, a “Burial Fund”.