

# PLANNING FOR MEDI-CAL LONG TERM CARE ELIGIBILITY

## I. WHAT IS MEDI-CAL?

Medi-Cal is California's Medicaid program, which is funded by both federal and state funds. It is overseen by the Department of Health Care Services. Medi-Cal has two divisions: one of them provides regular medical care for low-income individuals and the other provides assistance with paying for the high costs of nursing home care. This information is geared towards eligibility for the Medi-Cal Long Term Care program. To receive these Medi-Cal benefits, the applicant's (and spouse's, if married) assets must be within the Medi-Cal resource limits. If assets exceed the Medi-Cal resource limits, the excess must be "spent down" until the guidelines are met.

## 2. CHARACTERIZATION OF ASSETS

The first and most important concept of understanding Medi-Cal Long Term Care eligibility is the way the state classifies assets into 2 categories: COUNTABLE ASSETS and EXEMPT ASSETS. (Exempt assets will not affect a person's eligibility for Medi-Cal Long Term Care...in other words, these assets are not counted.)

### I. COUNTABLE ASSETS:

a. **Resource Limits:** An applicant cannot have countable assets in excess of the applicable resource limits, which for the year 2018 are as follows:

1. **SINGLE APPLICANT:**

\$2,000 IN APPLICANT'S NAME;

NO OTHER ASSETS

2. **MARRIED APPLICANT:**\$2,000 IN APPLICANT'S NAME

3. **APPLICANT'S SPOUSE:**\$123,600 IN SPOUSE'S NAME

4. **BOTH SPOUSES IN LONG TERM CARE:**

\$2,000 IN EACH SPOUSE'S NAME; NO OTHER ASSETS

b. **What Assets are Countable?**These must be spent down and/or converted to EXEMPT or UNAVAILABLE assets prior to application:

1. Bank Accounts (Checking/Savings)

2. Money Market Accounts

3. Certificates of Deposit (CDs)

4. Mutual Funds

5. Stocks & Bonds

6. Real Estate (other than the home)

7. Cash Value of Life Insurance greater than \$1500

### 2. EXEMPT/UNAVAILABLE

#### ASSETS:

a. **Exempt Assets\*:**

1. The home and home improvements

2. Personal Service Contracts

3. Household goods and debt payments

4. Personal effects, family heirlooms, jewelry, etc.

5. One car

6. Term life insurance policies without cash value

7. Prepaid burial plans (if Irrevocable)

8. IRA's and work-related pensions if in distribution (periodic payments of principal and interest)

9. IRA's and work-related pensions in spouse's name

b. **Unavailable Assets:**

i. Listed Real Estate

ii. Trust Deeds and Notes

3. These sections may be affected by upcoming changes in Medi-Cal regulations. We do not know for certain at this time exactly what these changes will be or the exact date of implementation for most of these regulations. You should consult with an Elder Law Attorney before making any changes to your Estate Plan or your Assets.

