



Medi-Cal Resource Limits for Nursing Home Care

Our goal at Absolute Trust Counsel is to make sure that seniors and aging adults maintain their independence for as long as possible. Part of that maintenance is not only protecting assets against large nursing home care expenses but also planning for those types of costs wisely. The laws governing Medi-Cal eligibility are complicated and constantly changing which means that few people fully understand them, but Kirsten and the Absolute Trust Counsel team does. No matter where you are in the planning process, there is a way to protect and get the most out of your hard-earned assets.

EXEMPT ASSETS

The following assets are generally exempt and therefore not counted in determining Long Term Care Medi-Cal eligibility:

- **Your Principal Residence** Your home is exempt from consideration as a resource when either you or your spouse is on Medi-Cal under any of the following circumstances:
 - If during any absence, including nursing home stays, the Medi-Cal beneficiary intends to return home and states so in writing. If the beneficiary is mentally incapacitated, a family member or someone acting on his or her behalf may so state this intent.
 - If the beneficiary's spouse, child under age 21, or "dependent relative" continues to reside in the home.
 - If the residence is inhabited by the beneficiary's sibling, son or daughter who has resided there continuously for at least one year prior to the date the beneficiary entered the nursing home.
 - If there are legal obstacles preventing the sale of which the beneficiary provides evidence of attempts to overcome such obstacles.
 - If the home is a multiple dwelling unit, one of which is the principal residence of the beneficiary.
- **Household Goods, Personal Effects and ONE Car**
- **Jewelry** For a single person, wedding rings, engagement rings, heirlooms, and any items of jewelry with a net market value of \$100 or less. For spouses, there is no limit.
- **Insurance Policies** Whole life (if total face value is \$1,500 or less) and term life.
- **Burial Plots** Burial plots are totally exempt including headstone, crypts, etc.
- **Prepaid Irrevocable Burial Plan** of **any** amount **and** \$1,500 in designated burial funds are exempt. These designated funds must be kept separate from all other accounts.
- **Up to \$2,000 in Cash Reserve** This includes savings, checking, etc. for the beneficiary.

- **IRAs, 401Ks and Work-Related Pensions**

- If the account or pension is in the beneficiary's name, the cash surrender value or balance, regardless of value, shall be considered unavailable if the beneficiary receives required minimum distributions (RMDs).
- If the account or pension is in the community spouse's name it is totally exempt.

- **NonWork-Related Annuities**

- Annuities purchased prior to 8/11/93 are exempt if the cash surrender value or balance of the annuity is considered unavailable or if the beneficiary is receiving periodic payments (of any amount) of interest and principal.
- Annuities purchased between 8/11/93 and 3/1/96 are exempt if payments are scheduled to exhaust the balance at or *before the end of the annuitant's life expectancy*. **Hardship:** Annuities purchased during this period that cannot be restructured to meet the new requirements will continue to be treated under the old rules. Written verification that the annuity cannot be restructured must be obtained from the insurance company or agent who issued or sold the annuity.
- Annuities purchased on or after March 1, 1996 must meet the above new requirements and no annuity hardship provisions apply.
- Annuities purchased on or after September 1, 2004 are subject to estate recovery regardless of whether the annuity is designed to pay a lump sum or periodic payments upon the death of the decedent.

- **Other Real Property** Other real property can be exempt if the net market value of the property (assessed value or fair market value, whichever is less – minus any encumbrances such as mortgages, loans, etc.) is \$6,000 or less and the beneficiary is "utilizing" the property, i.e., receiving yearly income of at least 6% of the net market value. Property used as a business can also be exempt if it meets the standards under the program, i.e., it is actually used as a business, reported to the IRS as such, etc.

- **Community Spouse Resource Allowance** (CSRA): \$130,380

- **Minimum Monthly Maintenance Needs Allowance** (MMMNA): \$3,260

- **Average Private Pay Rate** (APPR): \$10,298

Medi-Cal planning is an essential part of preparing for your future, but it doesn't have to be a complicated or confusing process. The right counsel should offer compassionate and sound legal guidance whether you are in the pre-planning stages, looking at the costs of long-term care or are faced with an immediate Medi-Cal crisis. Kirsten and the Absolute Trust Counsel team will show you a number of ways to obtain the proper assistance you need, but more importantly, show you that you have a variety of options other than going broke.



Email us at info@absolutetrustcounsel.com or call us at 925-943-2740 to set up your initial consultation today. We can't wait to work with

you.



AbsoluteTrustCounsel.com | 2890 North Main Street, Suite 206 | Walnut Creek, CA 94597