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California Medi-Cal Eligibility

Care Assessment Required?: Yes

Medicaid Agency Name: California Department of Health Care Services

Institutional Medicaid Program Name: Medi-Cal

Expanded Estate Recovery: No

No Implemented DRA

Continuous Eligibility Required: No

Penalty Period Start Date: On the 1st of the month of the otherwise eligible date

Penalty Period Divisor (Monthly): \$10,298.00

Income Cap State?: No

Excess Shelter Costs?: No

Excess Utility Costs?: No

MMMNA Lower Range: \$3,260.00

MMMNA Upper Range: \$3,260.00

Personal Needs Allowance: \$35.00

Individual Resource Limit: \$2000.00

Home Equity Limit: \$90,6000.00

Resource allowance for married couple*: \$3000.00

* husband and wife both reside in a facility

CSRA Upper Range: \$13,0380.00

CSRA Lower Range: \$13,0380.00

Life Insurance Face Value Limit: \$1,500.00

Burial Savings Account Limit: \$1,500.00

Available Asset Description:

- Checking accounts.
- Savings accounts.
- Brokerage accounts.
- Certificates of deposit.
- Stocks and bonds.
- Savings bonds.
- Primary residence if applicant does NOT intend to return home.
- Limited partnerships
- Cash value of life insurance over the \$1,500.00 limit
- Vehicles other than the one excluded vehicle.
- Boats, unless it is your primary residence.
- Recreational vehicles unless it is your primary residence or your only vehicle.
- Loans payable to applicant.
- Deferred annuities and some immediate annuities, depending on how they are structured, and the date purchased.
- Revocable burial contracts or trusts over the \$1,500.00 limit.
- Rental real property, unless clearly held as a business.
- Mineral, oil, or gas rights.
- The remaining balance or appraised value of promissory notes, whichever is less.

Excluded Asset Description:

- Primary residence if applicant intends to return home.
- The primary residence if there is a spouse, child under age 21 or a dependent relative, who lives on the property.
- The primary residence if a sibling or child age 21 or over of the applicant has continuously resided on the property for at least one year immediately prior to the date the applicant entered a SNF or ICF and continues to reside there.
- The primary residence if the property cannot be sold because there are legal obstacles preventing the sale.
- Rental property is exempt if net market value is \$6,000 or less and generating income of at least 6% of net market value.
- Household goods and personal effects.
- Wedding and engagement rings, heirlooms, and any other item of jewelry with a net market value of \$100 or less.
- One vehicle of any value.
- Life insurance with no cash value.
- Life insurance with value less than \$1,500.00.
- Irrevocable burial contracts of any value.
- Funds designated for burial expenses, up to \$1,500.00.

- Burial plots, vaults, and crypts for any member of immediately family member.
- Property used in a trade or business.

Retirement Funds

The California standard is that if the individual is receiving automatic regular periodic distributions (which must include interest and some principal), the retirement fund is not an available asset. However, the distributions from the retirement fund are income and included in the patient responsibility amount.

- IRAs and work-related pensions
 - In an applicant's name: the balance of the IRA or pension is considered unavailable if applicant is receiving periodic payments of the interest and principal (already on the webpage)
 - In spouse's name: the balance of the IRA or pension fund is totally exempt from consideration and is not included in the community spouse resource allowance 20 C.F.R. § 416.1202(a)

Annuities

Non-work-related annuities

- Annuities purchased prior to 8/11/93: balance is considered unavailable if applicant is receiving periodic payments of any amount of interest and principal.
- Annuities purchased between 8/11/93 and 3/1/96: annuities that cannot be restructured to meet the new requirements will continue to be treated under the old rules (directly above). Written verification from the company or agent who issued or sold the annuity must be obtained stating that the annuity cannot be restructured.
- Annuities purchases on or after 3/1/96 by the applicant or applicant's spouse: the individual and/or spouse must take steps to receive periodic payments of interest and principal payments must be scheduled to exhaust the balance of the annuity at or before the end of the annuitant's life expectancy. Annuities structured to exceed the life expectancy will result in denial or termination of benefits.

**annuities purchased by the applicant on or after 9/1/04 will be subject to Medi-Cal recovery when the beneficiary dies.

Planning Strategies:

- Purchase Annuity for Community Spouse
- Make Exempt Transfer (any asset)
- Make Exempt Transfer to Sole benefit trust
- Make Exempt Transfer to a Pooled Trust
- Make Exempt Transfer to a Self-Settled Special Needs Trust
- Make Exempt transfer of home
- Transfer Home, Retain Life Estate Interest
- Purchase Life Estate in Home of Another
- Lump Sum Personal Service Contract
- Purchase Prepaid Funeral Services Contract

- Create a Burial Savings Account, subject to Asset Limits (above)
- Purchase an Exempt Automobile
- Make Exempt Renovations to the Home
- Transferring assets to an irrevocable trust (Medicaid Asset Protection Trust®)
- Stacked Gifting to Individuals or to a MAPT
- Petition Court to Expand CSRA or MMMNA