

Service Chapter: Medicaid 510-05

Effective Date: January 1, 2025

Overview

CMS provided updates for Medicare Savings Programs and Community Spouse Asset limits in the Information Bulletin dated November 15, 2024. The Average Cost of Nursing Facility care received from Medical Services.

Description of Changes

1. Asset Limits for the Medicare Premium Assistance Program 510-05-60-20 - Change

Updating Assets limits effective January 1, 2025

2. Community Spouse Asset Allowance 510-05-65-20 - Change

Updating asset allowance amounts effective January 1, 2025

3. Home Equity Limit 510-05-70-27 - Change

Updating home equity limit effective January 1, 2025

4. Disqualifying Transfers 510-05-80 Definitions 510-05-80-05 - Change

Updating average cost of nursing facility care effective January 1, 2025 and removing information for the years 1994 through 2009.

Policy Section Updates

1. Asset Limits for the Medicare Premium Assistance Program 510-05-60-20

No person may be found eligible for the SSI Buy-In unless the total value of all non-excluded assets does not exceed the limit at Section 05-70-15.

No person may be found eligible for the Medicare Savings Programs unless the total value of all non-excluded assets does not exceed the limit established for the Medicare Part D Low Income Subsidy. This amount changes annually.

Effective with the benefit month of January 2024 2025, the limits are:

1. ~~\$9,430~~ \$9660 for a one-person unit (~~\$9,090 in 2023~~ \$9430 in 2024); or
2. ~~\$14,130~~ \$14,470 for a two-person unit (~~\$13,630 in 2023~~ \$14,130 in 2024).

2. Community Spouse Asset Allowance 510-05-65-20

1. The community spouse asset allowance is computed considering the assets as of the first continuous period of institutionalization of the institutionalized spouse, or as of the beginning of the first continuous period of receipt of HCBS by a HCBS spouse.
2. The community spouse asset allowance is determined by first establishing a spousal share. The spousal share is an amount equal to one half of the total value of all countable assets owned (individually or jointly) by the institutionalized, HCBS, or community spouse.

Example:

If the couple's countable assets are:	The community spouse share is:
\$30,828 <u>\$31,584</u>	\$15,414 <u>\$15,792</u>
\$90,000	\$45,000
\$250,000	\$125,000

From the spousal share, the community spouse asset allowance is established, and is an amount that is equal to the community spouse share, but not less than \$30,828 ~~\$31,584~~, and not more than \$154,140 ~~\$157,920~~, effective January 2024 ~~2025~~ (\$29,724 ~~\$30,828~~ and \$148,620 ~~\$154,140~~ effective January 2023 ~~2024~~).

Example:

If the Spousal share is:	The community spouse asset allowance is:
\$12,500	\$30,828 \$31,584 (at least the minimum)
\$45,000	\$45,000
\$180,000	\$154,140 \$157,920 (one-half is more than the maximum allowed, so the community spouse gets the maximum)

The community spouse asset allowance and adjustments in the minimum and maximum amounts may be adjusted by:

- a. any additional amount transferred under a court order; or
- b. any additional amount established through a fair hearing.

~~Adjustments in the minimum and maximum allowed for a community spouse may also adjust the community spouse asset allowance.~~

3. After the institutionalized or HCBS spouse has been determined eligible, the community spouse is no longer subjected to the community spouse asset allowance. Assets of the community spouse are subject to the disqualifying transfer provisions and may not be given away or transferred for less than fair market value without causing ineligibility for the institutionalized spouse.
4. Should the Community Spouse require care in a medical institution, nursing facility, swing bed, or in the state hospital, the Spousal Impoverishment Provision no longer apply UNLESS the total length of the Community Spouses stay is anticipated to be less than a full calendar month.

3. Home Equity Limit 510-05-70-27

The Deficit Reduction Act of 2005 established limits on the home equity an individual may have and still qualify for coverage of nursing care services through Medicaid.

Applicants or recipients who apply for Medicaid coverage on or after January 1, 2024 2025 are not eligible for coverage of nursing care services (which include HCBS) if the individual's equity interest in the individual's home exceeds \$713,000 \$730,000. The applicant or recipient may, however, be eligible for other Medicaid benefits.

This provision does not apply if one of the following individuals lives in the home:

1. A spouse;
2. A son or daughter who is under age twenty-one; or
3. A son or daughter of any age who is blind or disabled.

4. Disqualifying Transfers 510-05-80

Definitions 510-05-80-05

For purposes of this section:

1. Assets or income an individual disposes of means assets or income to which the individual is entitled, or would be entitled if action, or inaction, causes the individual to not receive the asset or income. Examples of actions which would cause assets or income not to be received are:
 - a. Irrevocably waiving pension income;
 - b. Waiving an inheritance; or
 - c. Not accepting or accessing injury settlements.
2. Fair Market value means:
 - a. In the case of a liquid asset that is not subject to reasonable dispute concerning its value, such as cash, bank deposits, stocks, and commodities, one hundred percent of apparent fair market value;
 - b. In the case of real or personal property that is subject to reasonable dispute concerning its value 75% of estimated fair market value and;
 - c. In the case of income, one hundred percent of apparent fair market value.

3. "Relative" means child, stepchild, grandchild, parent, stepparent, grandparent, aunt, uncle, niece, nephew, brother, sister, stepbrother, stepsister, half-brother, half-sister, first cousin, or in-law.
4. "Uncompensated value" means the difference between fair market value as of the date of transfer and the value of any consideration received.

When the party that receives the transferred property also assumes any outstanding loan(s) on the property, the amount of the outstanding loan(s) is consideration received.

Example: Mr. Green owns property with an estimated value of \$80,000. He has a mortgage for \$50,000 on the property. If Mr. Green sells the property for \$30,000 and the purchaser assumes the mortgage, Mr. Green is actually receiving \$80,000 in compensation, and there is no disqualifying transfer. If the purchaser does not assume the mortgage, the uncompensated value is \$50,000 (the difference between \$30,000 and the estimated market value of \$80,000).

5. "[Community spouse](#)" has the same meaning as in [05-65-10](#), Definitions for Spousal Impoverishment.
6. "[Home and Community Based Services spouse](#)" has the same meaning as in [05-65-10](#), Definitions for Spousal Impoverishment.
7. "[Institutionalized spouse](#)" has the same meaning as in [05-65-10](#), Definitions for Spousal Impoverishment.
8. The average cost of nursing facility care is:

Year	Daily Rate	Monthly Rate
<u>2025</u>	<u>401.74</u>	<u>12,219.59</u>
2024	403.19	12,263.70
2023	366.68	11,153.18
2022	352.42	10,719
2021	313.08	9522.85
2020	302.95	9214.73
2019	280.4	8530.05
2018	270.71	8234.10
July - Dec 2017	265.35	8071.06
Jan 2017	257.90	7844.46
2016	258.78	7871.23
2015	249.79	7595.04
2014	238.94	7268
July-Dec 2013	231.39	7038
Jan-2013	223.30	6792
2012	213.82	6504
2011	205.07	6238
2010	195.55	5948
2009	179.27	5453
2008	165.59	5037
2007	159.96	4865
2006	152.33	4633
2005	144.48	4395
2004	137.59	4185
2003	129.71	3945
2002	127.05	3864

July-Dec2001	120.08	3652
Jan-June 2001	109.98	3345
2000	104.94	3192
1999	97.68	2971
1998	94.31	2869
1997	89.00	2713
1996	85.00	2562
1995	80.00	2419
1994	74.00	2339