

Illinois Medicaid Income and Asset Rules for Couples

When one spouse enters a nursing home, many people want to know whether Medicaid will pay for some or all of the nursing home cost and how much of the couple's income and savings can be kept by the spouse still at home. This brochure will explain some of the financial rules that apply to individuals in a nursing home with spouses living in the community.

To determine Medicaid eligibility, the Department of Human Services (formerly the Department of Public Aid) will look at both assets and income.

ASSETS

What are assets?

Assets are things owned by the couple, such as bank accounts, certificates of deposit, stock, real estate, cash, surrender value of life insurance policy, and cars.

What assets will the Department of Human Services look at when deciding whether a person qualifies for Medicaid?

All assets owned by either spouse when the spouse enters a nursing home for a continuous period (over 30 days), except "exempt" assets. Exempt assets are those which are not counted.

What assets are not counted?

- The house which the couple live in.
- Personal property and household goods, such as clothing and furniture.
- One car, if the car is necessary for employment or to get to medical treatment.
- The cash value of some life insurance policies and/or burial funds, up to \$1,500.
- Some trust funds.

What assets may the spouse in the community keep?

All exempt assets and up to \$109,560 in non-exempt assets.

Example: Sam is in a nursing home. His wife, Mary, lives in their home. Sam's only asset is a \$25,000 certificate of deposit. Mary has a \$10,000 certificate of deposit. Sam and Mary also have a joint savings account with a balance of \$15,000. Since Mary's \$10,000 certificate is below the allowance of \$113,640, Sam may transfer an amount of his assets to bring Mary's assets up to the allowance. In this example, Sam may transfer all of his \$25,000 to Mary without affecting his qualification for Medicaid. With all of the couple's assets (\$25,000 + \$10,000 + \$15,000 = \$50,000) attributed to Mary, no assets are counted when deciding whether Sam qualifies. However, transferring the assets must happen.

What non-exempt assets may the spouse in the nursing home keep and still be eligible for Medicaid?

Up to \$2,000.

INCOME

What income can a community spouse keep?

\$2,739.00 per month. If the community spouse has less than \$2,739.00 per month in income, then he or she can receive some or all of the nursing home spouse's income to bring his or her monthly income up to the maximum of \$2,739.00.

What income can a nursing home spouse keep?

\$30 per month.

When is the community spouse responsible for the support of the nursing home spouse?

The community spouse may have to pay for some or all of the support of the nursing home spouse if his or her income is greater than \$2,739.00, or if the total combined non-exempt assets of the couple are greater than \$111,560 when eligibility is determined. (The \$111,560 includes \$109,560 for the community spouse plus \$2,000 for the nursing home spouse.)

TRANSFER OF ASSETS

What does it mean to “transfer assets”?

A transfer of assets occurs when a current or future resident of a nursing home buys, sells, gives away or changes the way real or personal property is held.

May the person in the nursing home transfer assets and still be eligible for Medicaid?

Yes, sometimes. For transfers made after January 1, 2007, the person in the nursing home may transfer assets if:

- The transfer occurred over 60 months ago.
- Fair market value is received, or
- The transfer is to a blind or disabled child of any age,
- The transfer is to the community spouse and the amount transferred does not exceed \$109,560 (unless there has been a fair hearing or court order to increase this amount), or
- The house the couple lives transferred to:
 - ✓ the community spouse,
 - ✓ a child under age 21,
 - ✓ a child of any age who is blind or disabled,
 - ✓ a brother or sister with an equity

interest in the house and who has lived there for at least one year prior to the date the person entered the nursing home,

- ✓ the person's child of any age who lived with and provided care for the person for the last two years sometimes.

Will the person in the nursing home be penalized if he or she makes a transfer of assets other than one of those listed above?

Yes. The person in the nursing home may not qualify for Medicaid for a period of time, depending on the value of the asset, unless an exception is given for hardship.

Note: The information in this brochure is based on Illinois and US laws and regulations. This information is intended only to be an overview of your rights. Since individual cases may vary, you should not rely on this information as a substitute for an attorney.

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WHEN ONE SPOUSE ENTERS A NURSING HOME



For assistance call:

Toll Free: 1-877-342-7891

Monday - Thursday

9:00 a.m. - 4:00 p.m.

Friday

9:00 a.m.- 1:30 p.m.

