

ELDER LAW TODAY

Adrian & Pankratz, P.A.

Old Mill Plaza, Suite 400 • Newton, KS 67114 • Phone: (316) 283-8746 • www.aplawpa.com

Exempt Assets and Countable Assets: What Must Be Spent?

To qualify for Medicaid, applicants must pass some fairly strict tests on the amount of assets they can keep. To understand how Medicaid works, we first need to review what are known as *exempt* and *non-exempt* (or countable) *assets*. *Exempt assets* are those which Medicaid will not take into account (at least for the time being). In general, the following are the primary exempt assets:

- Home, no matter what its value. The home must be the principal place of residence. Estate Recovery can place a lien against the home for the amount of Medicaid benefits paid after six months of inpatient care at a nursing home.
- Personal belongings and household goods.
- One car or truck.
- Income-producing real estate.
- Burial spaces and certain related items for applicant and spouse.
- Up to \$1,500 designated as a burial fund for applicant and spouse.
- Irrevocable prepaid funeral contract up to \$5,000 each for applicant and spouse.
- Value of life insurance if death benefit is \$1,500 or less. If the death benefit does exceed \$1,500, then the cash value in these policies is countable.

All other assets are generally *non-exempt*, and are countable. Basically, all money and property, and any item that can be valued and turned into cash, is a *countable asset* unless it is one of those assets listed above as exempt. This includes:

- Cash, savings, and checking accounts, credit union share and draft accounts.
- Certificates of deposit.
- U.S. Savings Bonds.
- Individual Retirement Accounts (IRA), Keogh plans (401(k), 403(b)) *of the spouse in the nursing home.* (Exempt for the community spouse in Kansas.)

- Nursing home accounts.
- Prepaid funeral contracts which can be canceled.
- Trusts (depending on the terms of the trust)
- Real estate (other than the residence).
- More than one car.
- Boats or recreational vehicles.
- Stocks, bonds, or mutual funds.
- Land contracts or mortgages held on real estate sold.

While the Medicaid rules themselves are complicated and tricky, it's safe to say that a single person will qualify for Medicaid as long as she has only exempt assets plus a small amount of cash and/or money in the bank, up to \$2,000 in Kansas.

Services Available

Adrian & Pankratz, P.A. offers the following Elder Law services:

Division of Assets	Long Term Care Planning
Guardianship	Powers of Attorney
Estate Planning	Wills
Living Trusts	Special Needs Trusts



Elder Law Today is published as a service of Adrian & Pankratz, Old Mill Plaza, Suite 400, Newton, KS 67114. This information is for general informational purposes only and does not constitute legal advice. For specific questions you should consult a qualified attorney.