

ELDER LAW TODAY

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The Basics of Medicaid...or...“What You Can and Cannot Keep”

In order to understand Medicaid qualification, you first need to know how Medicaid treats your assets.

Basically, Medicaid breaks your assets down into two separate categories. The first are those assets which are exempt and the second are those assets which are non-exempt or countable.

Exempt assets are those which Medicaid will not consider (at least for the time being). Generally the following assets are exempt:

- **The home up to \$572,000 in equity.** For a married couple, the home must be the principal place of residence for one spouse. Estate Recovery can place a lien against your home for the amount of Medicaid benefits paid after six months of inpatient care at a nursing home.
- **Household and personal belongings**, such as furniture, appliances, jewelry and clothing.
- **One vehicle**, there may be some limitation on value.
- **Burial spaces** and certain related items for applicant and spouse.
- Up to \$1,500 designated as a **prepaid burial fund** for applicant and spouse.
- **Irrevocable prepaid funeral** contract up to \$5,000.00 each for applicant and spouse.
- **Cash value of life insurance policies**, as long as the face value of all policies added together does not exceed \$1,500. If it does exceed \$1,500 in total face amount, then the cash value in these policies is countable. Term life insurance is exempt.
- **Cash** (e.g. a small checking or savings account) not to exceed \$2,000 in Kansas.
- These are basically the assets which Medicaid will ignore, at least for now. Keep in mind, however, that the Estate Recovery Unit may come back to recoup payments made to a Medicaid recipient after the death of the recipient and the recipient's spouse if they are married.

All other assets which are not exempt (i.e. the ones not listed earlier) are countable. This includes checking accounts, savings accounts, certificates of deposit, money market accounts, stocks, mutual funds, bonds, IRAs, pensions, second cars and so on. While there are some minor exceptions to these rules (e.g. the IRA or other retirement plan of the community spouse may be exempt), for the most part, all money and property, as well as any item that can be valued and turned into cash is a countable asset, unless it is one of those listed earlier as exempt.

While the Medicaid rules themselves are complicated and somewhat tricky, for a single person it's safe to say that you will qualify for Medicaid so long as you have only exempt assets plus a small amount of cash, (i.e. \$2,000 in Kansas).

For a married couple the community spouse (i.e. the spouse not needing nursing home care) can generally keep one-half of the assets up to a maximum of just under \$123,600. Of course, this does not mean there are not things which can be done to protect assets beyond these levels. Instead, this issue of *Elder Law Today* is designed to review the basics of Kansas Medicaid law.

Services Available

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

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

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