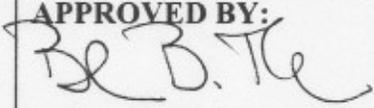


Colorado Department of Health Care Policy and Financing 1570 Grant St., Denver, CO 80203-1818	NUMBER: HCPF 06-021
	CROSS REFERENCE: MA-99-6-P
DIVISION OR OFFICE: Medical Assistance Office	DATE: May 30, 2006
SUBJECT AREA: Financial Eligibility for Medicaid Long-Term Care Services	
SUBJECT: Revised Definition of Income; Revised Resource Rules for Vehicles, Household Goods, and Personal Effects	APPROVED BY:  Barbara B. Prehmus, M.P.H.
TYPE: I – Information P - Procedure	

*HCPF Agency Letters can be accessed online at:
www.chcpf.state.co.us >>Reference Material >>Agency Letters*

Purpose:

The purpose of this agency letter is to notify County Departments of Social/Human Services and Medical Assistance sites of a revised definition of income and new resource rules governing vehicles, household goods, and personal effects for applicants and recipients of Medicaid long-term care services.

Background:

The federal regulations governing the definition of income (20 CFR §416.1102), the treatment of vehicles (20 CFR §416.1218), and the treatment household goods and personal effects (20 CFR §416.1216) were revised in 2005. These revisions to the Medicaid rules bring the rules into compliance with the new federal regulations. **They are effective June 1, 2006.**

Procedure or Information:

Definition of Income

Income is now defined as "anything received in cash or in kind that can be used to meet the individual's needs for food or shelter. In-kind income is not cash but is actually food or shelter or something that can be used to obtain food or shelter." Clothing is no longer included in the definition of income.

Vehicles

Under the revised regulations, one vehicle, regardless of its value, is excluded as a resource if it is used for transportation for the Medicaid client or applicant or a member of his or her household.

Household Goods and Personal Effects

Household goods and personal effects no longer must have a total equity value of \$2000 or less to be considered an exempt resource.

Household goods are exempt if they are items of personal property found in or around the home that are used regularly or if they are needed for maintenance, use, and occupancy of the home. Examples of household goods include furniture, appliances, electronic equipment, carpets, cooking and eating utensils, and dishes.

Personal effects are exempt if they are items ordinarily worn or carried by the individual, if they are items having an intimate relation to the individual, if they are items of cultural or religious significance to the individual, or if they are items required because of an individual's impairment. Examples of personal effects include personal jewelry, personal care items, prosthetic devices, and educational or recreational items.

Effective Date:

June 1, 2006

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Attachment: New Regulations for Income, Vehicles, Household Goods, and Personal Effects