

8.110.50 FINANCIAL ELIGIBILITY REQUIREMENTS FOR ELDERLY, BLIND AND DISABLED INDIVIDUALS

K. Other groups eligible for medical assistance

1. Recipients of Supplemental Security Income (SSI) and Old Age Pension (OAP) A or B with a SISC code A or B are eligible for medical assistance, not including longterm care. For long term care eligibility in a nursing facility or Home and Community Based Services (HCBS), a separate application must be submitted to the county department of social services.

8.110.51 FINANCIAL ELIGIBILITY REQUIREMENTS FOR INDIVIDUALS ELIGIBLE FOR THE COLORADO MEDICAID PROGRAM

Consideration of resources: Resources are defined as cash or other assets or any real or personal property that an individual or spouse owns. The resource limit for an individual is \$2000. For a married couple, the resource limit is \$3000. If one spouse is institutionalized, refer to Treatment of Income and Resources for Institutionalized Spouses.

A. The following resources are exempt in determining eligibility:

1. The principal place of residence which is owned by the applicant or applicant's spouse, including the home in which the individual resides, the land on which the home is located and related out-buildings.
 - a. If an individual or spouse moves out of his or her home without the intent to return, the home becomes a countable resource because it is no longer the individual's principal place of residence.
 - b. If an individual leaves his or her home to live in an institution, the home will still be considered the principal place of residence, irrespective of the individual's intent to return as long as the individual's spouse or dependent relative continues to live there. Dependent relative is defined as one who is claimed as a dependent for federal income tax purposes.
 - c. The individual's equity in the former home becomes a countable resource effective with the first day of the month following the month it is no longer his or her principal place of residence.
 - d. The home will still be considered the individual's principal place of residence and retain the exemption if all of the following conditions apply:
 - 1) The individual is institutionalized.

8.110.51 FINANCIAL ELIGIBILITY REQUIREMENTS FOR INDIVIDUALS ELIGIBLE FOR THE COLORADO MEDICAID PROGRAM (Continued)

FINANCIAL ELIGIBILITY REQUIREMENTS FOR INDIVIDUALS ELIGIBLE FOR THE COLORADO MEDICAID PROGRAM (Continued)

- 3) The individual intends to return home whether or not in fact he or she does return home.
 - 4) The intent to return home is documented in writing.
 - 5) The intent to return home applies to the home the individual or spouse was living in prior to being institutionalized or a replacement house as long as a spouse or dependent relative continues to live there. Dependent relative is defined as one who is claimed as a dependent for federal income tax purposes.
- e. For an institutionalized individual in a nursing facility, receiving HCBS or enrolled in the PACE program, the exemption for the principal place of residence does not apply to a residence which has been transferred to a trust or other entity, such as a partnership or corporation. If the residence is transferred back into the name of the individual's name, the exemption will be regained.
- f. The principal place of residence, which is subject to estate recovery, becomes a countable resource upon the execution and recording of a beneficiary deed. The exemption can be regained if a revocation of the beneficiary deed is executed and recorded.
- g. For applications filed on or after January 1, 2006, an individual's home if:
- 1) The individual's equity interest in the home is \$500,000 or less, or
 - 2) The individual's equity interest in the home exceeds \$500,000 and the individual's spouse, dependent child under the age of 21, or blind or disabled child resides in the home.
2. One automobile is totally excluded regardless of its value if, for the individual or a member of the individual's household:
- a. It is necessary for employment;
 - b. It is necessary to provide transportation for the medical treatment of a specific or regular medical problem;
 - c. It is modified for operation by or transportation of a handicapped person who is in need of transportation; or

8.110.51 FINANCIAL ELIGIBILITY REQUIREMENTS FOR INDIVIDUALS ELIGIBLE FOR THE COLORADO MEDICAID PROGRAM (Continued)

7. An applicant or recipient may also own up to \$1,500 in burial funds through a revocable account, trust, or other arrangement for burial expenses, without such funds affecting the person's eligibility for assistance. This exclusion only applies if the funds set aside for burial expenses are kept separate from all other resources not intended for burial of the individual or spouse's burial expenses. Interest on the burial funds are also excluded if left to accumulate in the burial fund. However, the \$1500 exemption is reduced by (a) the amount of any irrevocable burial funds such as are described in the preceding subparagraph, and (b) the face value of any life insurance policy whose cash surrender value is exempt. For a married couple, a separate \$1500 exemption applies to each spouse.

B. Countable resources include the following:

1. Cash or funds held by a financial institution in a checking or savings account, certificate of deposit or money market account;
2. Current market value of stocks, bonds, and mutual funds;
3. All funds in a joint account are presumed to be a resource of the applicant or client. If there is more than one applicant or client account holder, it is presumed that the funds in the account belong to those individuals in equal shares. To rebut this presumption, evidence must be furnished that proves that some or all of the funds in a jointly held account do not belong to him or her. To rebut the sole ownership presumption, the following procedure must be followed:
 - a. Submit statements from all of the account holders regarding:
 - 1) Who owns the funds.
 - 2) Why there is a joint account.
 - 3) Who has made deposits and withdrawals and how withdrawals have been spent.

8.110.51 FINANCIAL ELIGIBILITY REQUIREMENTS FOR INDIVIDUALS ELIGIBLE FOR THE COLORADO MEDICAID PROGRAM (Continued)

- a. Submit account records showing deposits, withdrawals and interest in the months for which ownership of funds is at issue.
 - b. Correct the account title and submit revised account records showing that the applicant or client is no longer an account holder or separate the funds to show they are solely owned by the individual.
4. Any real property that is subject to a recorded beneficiary deed and on which an estate recovery claim can be made.
 5. For applications filed on or after January 1, 2006, an individual's home if the individual's equity interest in the home exceeds \$500,000 and the individual's spouse, dependent child under the age of 21, or blind or disabled child does not reside in the home.
 6. Real property not exempt as the principal place of residence and not exempt as income producing property with a value of \$6000 or less, as described at 8.110.50.
 - a. When the applicant alleges that the sale of real property would cause undue hardship to the co-owner due to loss of housing, all of the following information must be obtained:
 - 1) The applicant or client's signed statement to that effect.
 - 2) Verification of joint ownership.
 - 3) A statement from the co-owner verifying the following:
 - a) The property is used as his principal place of residence.
 - b) The co- owner would have to move if the property were sold.
 - c) The co-owner would be unable to buy the applicant or client's interest in the property.
 - d) There is no other readily available residence because there is no other affordable housing available or no other housing with the necessary modifications for the co-owner if he is a person with disabilities.
 - b. Excess real property will not be included in countable resources as long as reasonable efforts to sell it have been unsuccessful. Reasonable efforts to sell means:
 - 1) The property is listed with a real estate agent at current market value.

8.110.51 FINANCIAL ELIGIBILITY REQUIREMENTS FOR INDIVIDUALS ELIGIBLE FOR THE COLORADO MEDICAID PROGRAM (Continued)

- 2) If owner listed, the property must be for sale at current market value, advertised and shown to the public.
 - 3) Any reasonable offer must be accepted and the owner has the burden of demonstrating that an offer was not reasonable.
 - 4) If an offer is received that is at least two-thirds of the current market value, the individual must present evidence to establish that the offer was unreasonable.
 - 5) Reasonable efforts to sell must continue and must be verified on a quarterly basis.
7. Personal property such as a mobile home or trailer or the like, that is not exempt as a principal place of residence or that is not income producing.
 8. Household goods and personal effects in excess of \$2000.
 9. The equity value of all motor vehicles that are in addition to one exempt vehicle. The equity value is the fair market value less any encumbrances. The current market value is the average price an automobile of that particular year, make, model and condition will sell for on the open market to a private individual in the particular geographic area involved.
 10. The cash surrender value of life insurance policies if the face value exceeds \$1500.