

2005 COLORADO MEDICAID GUIDELINES FOR NURSING HOME PAYMENT

For More Information about Medicaid and Long-Term Care Planning,
call Doug Burg, CLTC at Colorado LTC Advisors at (303)663-5690...

INCOME:

Individual Needing Nursing Home Care:

Income must be less than \$1,737 per month.

Recipient can keep \$50 per month (up to \$90 for SOME veterans). The remainder goes to the nursing home and health insurance premiums unless it is needed for spouse at home.

Spouse at Home:

Spouse at home can keep \$1,561.25 per month in income (assuming that such income exists between husband and wife). An additional amount is allowed for shelter costs (rent, mortgage, taxes, insurance, utilities, maintenance fee for a condominium). (Mortgage payments on rental property cannot be considered to justify additional income). The spouse's income allocation from the nursing home spouse cannot exceed \$2,377.00 per month. The spouse at home can keep all income directed solely to him or her (i.e. a pension).

ASSETS:

Individual Needing Nursing Home Care:

Maximum: \$2000 (\$3000 if both spouses need nursing home care)

Does not count home in which you live and primary vehicle. Counts cash, savings, investments (mutual funds, stocks, bonds etc.), cash value of life insurance policies with a face value above \$1,500, property outside the home (rental property will not count as asset, but rental income less taxes, insurance, and upkeep will count toward income maximums.) Recipient is allowed to have \$1,500 in revocable burial trust.

Spouses at Home: (Calculation of the Community Spouse Resource Allowance - CSRA)

Assets are no longer divided equally between spouses. The asset maximum for the community spouse is \$95,100.

* This rule applies **only** if the period of institutionalization begins on or after July 1, 1995.

Example #1: If the couple's "pot" of countable resources is \$60,000 the community spouse's CSRA is all of the \$60,000. There is no spend-down needed. The nursing home spouse is eligible for Medicaid at this time, if all other criteria are met.

Example #2: If the couple's "pot" of countable resources is \$150,000 the community spouse keeps \$95,100. \$52,900 needs to be spent down before the nursing home spouse is eligible for Medicaid-- (\$150,000 - \$97,100 {\$95,100 + \$2,000 allowed to nursing home spouse = \$97,100}).

LOOK-BACK RULE:

The Medicaid program looks back 36 months to see if assets have been transferred for less than fair market value, and 60 months in trust situations. Applicant is ineligible for the number of months equal to the amount of the transfer divided by the average cost of nursing home care in the area.

Example: $\$60,000 / \$4,965 = 12$ months, 3 days (Average cost in CO for 2004 was \$4,965 – for transfer penalty)
 $\$300,000 / \$4,965 = 60$ months, 13 days