

RESOURCES

SUBSTANTIAL HOME EQUITY

Description: The home equity of an SSI-related applicant for nursing facility services or community based long-term care services cannot exceed the home equity limit. (See **REFERENCE** SUBSTANTIAL HOME EQUITY LIMIT)

Policy: An SSI-related A/R whose equity interest in their home exceeds the home equity limit must be denied Medicaid coverage for Nursing Facility Services and Community Based Long-Term Care services. The equity value is derived by subtracting any legal encumbrances (liens, mortgages, etc.) from the fair market value. Absent any evidence to the contrary, if the home is owned jointly with one or more individuals, each owner is presumed to have an equal interest in the property. Individuals cannot spend down excess equity through the use of medical bills to obtain eligibility. Individuals whose equity interest in the home exceeds the home equity limit may, if otherwise eligible, receive Medicaid coverage of Community Coverage Without Long-Term Care.

References:

SSL Sect.	366-a(2) 366 366-c 366-ee
Dept. Reg.	360-2.3 360-4.4 360-4.6
ADMs	10 OHIP/ADM-01 09 OHIP/ADM-3 06 OMM/ADM-5
GISs	10 MA/025 09 MA/027 07 MA/007 06 MA/016

Interpretation: SSI-related individuals applying for nursing facility services or community based long-term care services, or for an increase in coverage for long-term care services on or after January 1, 2006, are to be denied Medicaid coverage for such services if the equity interest in the individual's home exceeds the home equity limit.

The home equity provisions do not apply to persons who are Qualified Partnership Policyholders (QPP) who hold either a Total Asset

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Protection or Dollar-for-Dollar policy. However, consideration of the home as a countable resource or exempt homestead applies to a QPP who has a Dollar-for-Dollar Asset Protection policy.

The home equity provision does not apply to individuals who applied and were determined eligible for and in receipt of long-term care services before January 1, 2006 and have no break in eligibility for long-term care services after January 1, 2006.

The home equity limitation does not apply if the SSI-related individual's spouse, minor child or certified blind or certified disabled child lawfully resides in the home.

SSI-related individuals may use a reverse mortgage or home equity loan to reduce their equity interest in the home.

NOTE: Although payments received from a reverse mortgage or home equity loan are not counted in the month of receipt for eligibility purposes, if the funds are transferred during the month of receipt, the transfer is to be considered a transfer for less than fair market value for SSI-related individuals applying for coverage of nursing home care.

SSI-related individuals who are subject to the home equity limitation may claim undue hardship. Undue hardship exists if the denial of Medicaid coverage would:

- Deprive the A/R of medical care such that the individual's health or life would be endangered; or
- Deprive the A/R of food, clothing, shelter, or other necessities of life; AND
- There is a legal impediment that prevents the A/R from being able to access his or her equity interest in the property.

Undue hardship determinations must be made within the same period that districts have to determine eligibility. Additional time for providing documentation to determine undue hardship may be approved by the district. If an individual disagrees with the district's determination of undue hardship, the recipient may request a conference and/or fair hearing.

If the SSI-related individual is not eligible for nursing facility services and community-based long-term care services due to substantial home equity, districts should not authorize short-term rehabilitative nursing home care nor certified home health care (CHHA) services.