

RESOURCES TRANSFER OF ASSETS

ALL CATEGORIES

related A/R does not have an irrevocable pre-need funeral agreement with \$1,500 designated for non-burial space items or a burial fund.

Example: An SSI-related applicant makes a prohibited transfer in April, 2005 of \$20,000 and applies for Medicaid coverage of nursing home care in May, 2005. The only resource the SSI-related applicant has is \$2,000 in a bank account. To determine the uncompensated value of the prohibited transfer, subtract the SSI-related applicant's countable resources from the Medicaid Resource Level for a household of one ($\$4,000 - \$2,000 = \$2,000$). If there is a remainder, subtract the remainder from the prohibited transfer amount ($\$20,000 - \$2,000 = \$18,000$). \$18,000 is the uncompensated value of the transfer.

If the SSI-related applicant also does not have an irrevocable pre-need funeral agreement with \$1,500 designated for non-burial space items or a \$1,500 burial fund, the prohibited transfer amount is further reduced by \$1,500 ($\$18,000 - \$1,500 = \$16,500$). \$16,500 is the uncompensated value of the transfer.

The uncompensated value cannot be reduced by applying it to the maximum community spouse resource allowance.

Except as provided below concerning multiple transfers, for transfers made prior to February 8, 2006 the penalty period begins on the first day of the month following the month in which the assets were transferred.

For transfers made on or after February 8, 2006, the penalty period starts the first day of the month after assets have been transferred for less than fair market value, OR the first day of the month the otherwise eligible institutionalized individual is receiving nursing facility services for which Medicaid would be available but for the transfer penalty, whichever is later, and which does not occur during any other period of ineligibility.

The penalty period is a period of months equal to the total uncompensated value of the transferred assets divided by the average regional rate for nursing facility services in the region