

IMPORTANT NOTICE ABOUT MEDICAID ELIGIBILITY RULES

Medicaid is governed by federal and state law and each state has its own spend down requirements. Your Medicaid eligibility depends on your specific facts, circumstances, and state of residence. Medicaid laws have strict timing requirements and any transfer of assets reasonably close in time to applying for Medicaid benefits may not be recognized by your applicable state. **BEFORE MAKING SPEND DOWN PLANS, CONSULT WITH YOUR ELDER LAW ATTORNEY AND ACCOUNTANT.**



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About Medicaid Spend Down



THIS BROCHURE IS FOR GENERAL INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE LEGAL ADVICE. Neither our funeral home nor any insurance agent provides legal advice or services. Always consult a licensed elder law attorney and accountant before spending down or transferring assets to qualify for Medicaid in your state.

Nursing home and home health care expenses can deplete your hard-earned savings and quickly. By spending down your assets in a particular way, you can exempt certain assets to qualify for Medicaid. Prepaid funeral plans may fall under exempt assets depending on your state. Smart planning to preserve your assets begins now.

What is Medicaid?

Medicaid is the nation's publicly financed health and long-term care coverage program for low-income individuals and families. Medicaid is a federal entitlement program that aids individuals who meet certain eligibility criteria. Although states administer Medicaid within broad federal guidelines, rules vary by state.

Who is Eligible for Medicaid?

Generally, seniors aged 65 or older, adults, children, disabled individuals, and pregnant women may qualify depending on economic eligibility. Each state will determine how much income and assets are allowed per individual/family.

What is a Medicaid Spend Down?

If a person otherwise qualifies for Medicaid but their assets exceed a certain threshold, eligibility may be obtained by spending down assets to a level that meets the standards. Medicaid has a look-back period to ensure applicants do not give away assets or sell them under fair market value to meet asset limits. The look-back period will vary depending on specific circumstances but is generally 5 years.

What are Non-Exempt and Exempt Assets?

Because not all assets held are counted towards Medicaid's asset limit, it is critical to know which assets are countable and which are not to plan ahead. Your state Medicaid rules may contain variations for exempt and non-exempt assets, including requirements and limitations.

Non-Exempt Assets:

Medicaid considers non-exempt (countable) assets as items that are available to you and could assist with the cost of your care. Basically, these are cash or items that are easily converted to cash that generally include, but are not limited to:

- Cash;
- Checking, money market and savings accounts;
- Mutual funds, stocks, bonds, and CDs;
- 401(k)'s and IRA's; and
- Life insurance policies with a combined face value of greater than \$1,500 (term insurance and burial insurance are excluded from the face value).



Exempt Assets:

For purposes of Medicaid, exempt (non-countable) assets generally include, but are not limited to:

- A person's primary residence subject to certain conditions;
- Automobile if used for transportation;
- Life insurance policies that do not exceed a combined face value of \$1,500 (term insurance and burial insurance are excluded from the face value);
- Household goods;
- Personal effects;
- Irrevocable contracts for burial expenses for you and your spouse that cover funeral service costs; and
- Irrevocable contracts for burial spaces for you and your "immediate family", defined as a spouse, siblings and their spouses, minor and adult children and step-children and their spouses, and parents and adopted parents. Burial space items include but are not limited to burial plots, gravesites, mausoleums, family crypt, urns, caskets, vaults, grave opening and closing, and headstones.