



## Institutional Medicaid Rules for Single Individuals in 2017

**Medicare** is a Federal insurance program that pays for hospital and medical care for elderly and certain disabled Americans. **Medicaid** is a means-tested health and medical services program for certain disabled individuals (under 21 or over 65) and families with low incomes and resources. So think of Medicare as a form of health insurance and Medicaid as a payor of long term care.

Income	Countable Resources	Exempt Resources
\$50.00 per month total income as a personal needs allowance	\$14,850.00 in total countable resources	Personal property  Burial plot  Burial allowance (\$1,500.00) or unlimited if in an irrevocable burial trust  <span style="color: red;">Retirement accounts (“partially exempt”)</span>

As you can see from the chart above, a Medicaid recipient is only allowed to keep \$50.00 per month of their income. In addition, qualifying veterans may be allowed to keep an additional \$90.00 per month in income (for a total of \$140.00 per month). When calculating income, Medicaid counts income from all sources (Social Security, pensions, retirement income, dividends, interest, rental income, etc.). If a person is over that limit it does not mean they can't qualify for Medicaid, but all of the recipient's income over the limit will need to be contributed towards their monthly cost of care.

Compare that with the resource side where a Medicaid recipient will need to be under the “Countable Resources” limit or they will not qualify. Countable Resources are basically all assets that are not “Exempt Resources”. This includes bank accounts, annuities, stocks, bonds, mutual funds, the cash value of life insurance policies, real estate, etc. Basically any type of asset you can imagine that is not exempt. Exempt Resources are those resources that the local Medicaid agency will not consider when determining an individual's eligibility.

Partially exempt is a term that we at Roth Elder Law use to describe a Qualified Retirement Account is in pay-out status (i.e. you are taking required minimum distributions). The principal in the account is generally exempt but the RMD's that are taken are counted as part of your monthly income and will likely all be contributed towards your cost of care.

*These figures and rules change each year and certain other exemptions may exist. If you or a loved one needs long term care, you should consult with an Elder Law Attorney.*