

The Medicaid Planning Guidebook  
Fourth Edition

Michael Anthony, JD, CMP™

# Table of Contents

## **Section 1 – Medicaid Planning Primer**

Introduction .....	1
A. Medicaid Public-Private Partnership .....	2
B. Medicaid Planner’s Role.....	3
C. Medicaid Planning Objective .....	4

## **Section 2 – Medicaid Program Overview**

A. The Federal-State Partnership .....	7
B. Governing Law .....	8
C. Scope of Coverage .....	9
D. Medicare Confusion .....	12
E. Nursing Home Medical Qualification .....	14
F. Medicaid Certified Beds .....	15
G. Medicaid Discrimination in Admissions .....	15

## **Section 3 – Medicaid Eligibility Planning: A Systematic Approach**

A. Medicaid Planning Timeline.....	17
1. Client Intake and Initial Assessment .....	17
2. Asset Assessment.....	18
3. Income Assessment.....	18
4. Quick Assessment.....	18
5. Medicaid Plan Development.....	18
6. Medicaid Plan Implementation.....	18
7. Application Filing.....	18
8. Verification Process .....	19
9. Eligibility Determination .....	19
10. Post-Eligibility Follow-Up.....	19
11. Post-Death Advocacy.....	19
B. Client Intake .....	19
C. Pre-Planning vs. Crisis Planning.....	20
D. Preliminary Asset and Income Assessment .....	22
E. Asset Protection Factor .....	23

## **Section 4 – General Asset Eligibility Rules**

A. Protected Assets .....	25
---------------------------	----

1. Homestead .....	25
2. Primary Vehicle .....	26
3. Personal Items .....	27
4. Cash Value Life Insurance.....	27
5. Certain Business and Non-Business Property .....	28
6. Some Qualified Retirement Accounts.....	29
7. Single Premium Immediate Annuities (SPIA) .....	30
8. Funeral/Burial Plans .....	30
9. Burial Space.....	31
10. Individual Countable Resource Allowance.....	31
B. Unprotected Assets.....	32
1. Cash and Cash Equivalents .....	33
2. Securities and Other Investments .....	33
3. Qualified Retirement Accounts .....	33
4. Homestead Owned by Revocable Trust (Some States) .....	33
5. Excess Homestead Equity and Non-Homestead Real Estate .....	34
6. Additional Vehicles.....	34
7. Life Insurance .....	34
8. Deferred Annuities .....	35
9. Divestments .....	35
10. Life Care Contracts.....	35
11. Closely Held Business Ownership .....	36
C. Basic Spenddown Calculation.....	36

**Section 5 – Community Spouse Asset Rules**

A. Community Spouse Spenddown .....	37
B. CSRA Calculation.....	38
1. Snapshot Baseline.....	38
2. CSRA Straight Deduction.....	39
3. One-Half Deduction .....	39
4. Ownership Issues .....	41
C. Changing the CSRA.....	43
1. Inflating the Countable Resources before the Snapshot Date.....	43
a. Tap Home Equity .....	44
b. Revocable <i>Inter Vivos</i> Trust.....	44
2. Fair Hearing – Error Correction .....	45
3. Fair Hearing – CSRA Increase.....	46
a. Conservative Method.....	46
b. Liberal Method.....	46
4. Judicial Order.....	47
5. Assignment of Rights/Refusal.....	48
D. Married with No Community Spouse .....	48
E. Evolution of Same-Sex Marriage in Medicaid .....	49
1. Full Legalization ( <i>Obergefell</i> ) .....	49
2. Repeal of DOMA ( <i>Windsor</i> ) .....	49
3. Pre- <i>Windsor</i> Expansion.....	50

**Section 6 – Asset Eligibility Strategies**

A. Understanding the Spenddown .....	51
1. Countable to Non-Countable Conversion .....	51
2. Secondary Planning Considerations .....	52
3. Fair Market Value Transactions.....	52
4. Error Margin .....	53
B. Basic Asset Eligibility Strategies .....	54
1. Tangible Personal Property .....	54
2. Homestead Advantages.....	55
a. Renovate the Home.....	55

