

April 11, 2025

**GENERAL LETTER NO. 8-D-112**

ISSUED BY: Bureau of Medicaid Eligibility Policy  
Division of Community Access and Eligibility

SUBJECT: Employees' Manual, Title 8, Chapter D, **Medicaid Resources**, 6 and 7, 10-13, 18, 21-24, 35, 74, 108 and 109, 125, revised.

**Summary**

This chapter is revised to

- Update the attribution of resources allowance amounts.
- Update the minimum community spouse resource allowance to \$31,584 and the maximum community spouse resource allowance to \$157,920.
- Update the minimum monthly maintenance needs allowance (MMMNA) to \$3,948.
- Update the resource limits for qualified Medicare beneficiaries (QMB), specified low-income Medicare beneficiaries (SLMB), and expanded low-income Medicare beneficiaries (E-SLMB) to \$9,660 for an individual and \$14,470 for a couple.
- Update the limit for exempting homestead property for people requesting long term care to \$730,000.
- Clarify Indian Assistance to exclude up to \$2,000 of income per year received by a Native American from interests of Indian trusts or restricted lands.

**Effective Date**

January 1, 2025.

**Material Superseded**

Remove the following pages from Employees' Manual, Title 8, Chapter D, and destroy them:

<u>Page</u>	<u>Date</u>
6 and 7, 10-13, 18, 21-24, 35, 74, 108 and 109, 125	September 13, 2024

**Additional Information**

Refer questions about this general letter to your area eligibility determinations manager.

Mr. and Mrs. G claimed resources of \$60,000 on the application for attribution. However, they could provide verification for only \$50,000. The attribution was based on the verified resources of \$50,000.

Count the uncompensated value of any divested resources owned by either spouse if the resource was owned on the first moment of the first day of the month. “Uncompensated value” is the fair market value of the asset minus the amount that was received for the asset.

NOTE: If either spouse transferred resources at less than fair market value to attain eligibility, see [Transfer of Assets](#) for procedures to handle such transfers when determining eligibility.

2. Add together all resources of both spouses.
3. Attribute one-half of the documented resources to each spouse. If necessary, adjust the division so that the community spouse will receive no less than \$31,584 (if there is that much) but no more than \$157,920.

<b>Value of Combined Resources</b>	<b>\$0 - \$63,168</b>	<b>\$63,168.01 - \$315,840</b>	<b>\$315,840.01 or more</b>
Amount attributed to:			
Community spouse	\$31,584	One-half	\$157,920
Institutionalized spouse	Remainder	One-half	Remainder

After the attribution is complete, send each spouse the results on form 470-2588, *Notice of Attribution of Resources*, with copies of the resource documents. The notice includes an explanation of the spouses’ appeal rights. (See [If the Applicant Appeals the Attribution Amount.](#))

If a court or administrative appeal decision has ordered an amount greater than half the resources for the community spouse, or more than \$157,920, attribute the amount ordered.

1. Mr. A enters a medical institution and his wife remains at home. Mr. and Mrs. A furnish verification of a total of \$69,500 in resources. One-half of this is \$34,750. Mrs. A is attributed \$34,750 and Mr. A is attributed \$34,750.
2. Mr. B enters skilled care expecting to stay indefinitely. His wife remains at home. Their total resources are \$35,600. One-half of this is \$17,800. Since this result is less than \$31,584, the minimum amount of \$31,584 is attributed to Mrs. B. \$4,016 is attributed to Mr. B.

3. Mrs. D enters a hospital and is expected to stay over 30 days. Her husband remains at home. Their total resources are \$320,000. One-half of this is \$160,000.

The community spouse cannot be attributed more than \$157,920 without a court order or final appeal decision. Therefore, \$162,080 is attributed to Mrs. D and \$157,920 is attributed to Mr. D ( $\$320,000 - \$157,920 = \$162,080$ ).

4. Mr. M enters a nursing facility and Mrs. M remains at home. The total value of their resources is \$50,000. However, the court has ordered that \$40,000 be transferred to Mrs. M for support. In this case, \$40,000 is attributed to Mrs. M, even though this amount exceeds the \$31,584 minimum; \$10,000 is attributed to Mr. M.

### **If the Applicant Appeals the Attribution Amount**

Legal reference: 441 IAC 75 (Rules in Process)

The current minimum monthly maintenance needs allowance (MMMNA) for a community spouse is \$3,948. If the income available to the community spouse is less than the MMMNA, the applicant or the community spouse may file an appeal to set aside additional resources that would generate income equal to the difference between the income available to the community spouse and the MMMNA.

The appeal request must be filed within 90 days of the *Notice of Attribution of Resources* (NOA) or any *Notice of Decision* (NOD) regarding medical assistance. If the applicant does not file an appeal within 90 days of an NOA or NOD, the applicant loses the right to a hearing on the attribution for that application. If requested, help the applicant to complete form 470-0487 or 470-0487(S), *Appeal and Request for Hearing*.

If the appeal is filed after one or more applications has been denied, and the appeal allows a substitution of resources that result in the institutionalized spouse now being eligible, the date of approval begins with the most recent application. Only one appeal to allow a substitution of resources will be conducted.

1. Mrs. B enters a facility in January 2006. Mr. B remains at home. The Bs file an application for medical assistance for Mrs. B in March 2006. An attribution of resources is completed. The worker totals all of the household resources as of January 1, 2006, and subtracts the community spouse resource allowance assigned in the attribution process. The remaining resources continue to exceed the resource limit. The worker issues an NOD denying the application in April 2006.

Mrs. B files an appeal regarding the NOD. A hearing is granted. Since Mrs. B entered the facility before February 8, 2006, only Mr. B's income is used when the Bs provide a quote for the cost of an annuity to set aside additional resources for Mr. B.

2. Mr. C enters a facility on April 19, and files an application on April 21. Mr. C has a community spouse, Mrs. C. The Cs have combined total resources that are counted in the attribution, in the amount of \$35,400. \$31,584 was attributed to Mrs. C and that left \$3,816 for Mr. C.

Mr. C has \$1,410 Social Security and \$1,500 pension with a total income of \$2,910. Mr. C has Medicare and a Medicare supplement with a monthly premium of \$150. Mr. C has total unmet medical deductions in the amount of \$.335 (\$185 Medicare premium + \$150 Medicare supplement = \$335). Mrs. C has \$1,100 Social Security.

The April application was denied since Mr. C's resources exceed the \$2,000 resource limit. Mr. C appealed the attribution and the denial.

Since Mr. C became institutionalized after February 8, 2006, Mrs. C's income, plus the income that will be made available from Mr. C is used when determining the shortfall of income between the MMMNA and Mrs. C's available income for the attribution process.

\$ 1,410	Social Security
+ <u>1,500</u>	Pension
\$ 2,910	
- <u>50</u>	Personal needs allowance
\$ 2,860	Total of Mr. C's income available to Mrs. C
+ <u>1,100</u>	Mrs. C's income
\$ 3,960	Total income available to Mrs. C when determining her shortfall for the annuity quote
\$ 3,948	MMMNA
- <u>3,960</u>	Total income available to Mrs. C
\$ 0	Shortfall of income used to determine the cost of an annuity for the attribution

Since there is not a shortfall of income for Mrs. C, additional resources cannot be attributed to Mrs. C. Mr. C remains ineligible until he spends down his resources to \$2,000.

If Mr. C is determined eligible, calculate the CP as follows:

\$ 1,410	Social Security
+ <u>1,500</u>	Pension
\$ 2,910	
- 50	Personal needs allowance
- <u>2,848</u>	Mrs. C's deficit
\$ 12	Client participation
\$ 3,948	MMMNA
- <u>1,100</u>	Mrs. C's Social Security
\$ 2,848	Mrs. C's deficit of income

Since Mr. C has income left after the spousal diversion, this is when you will allow other deductions in the CP calculation, such as unmet medical needs (Medicare and health insurance premiums). Since there is only \$12 left, Mr. C will have \$12 that he can use to pay towards his Medicare premium or health insurance premium.

3. Mr. D applied for waiver services in April and meets level of care for waiver services on May 5. Mr. D has a community spouse, Mrs. D. The Ds have combined total resources that are counted in the attribution, in the amount of \$78,000. \$39,000 was attributed to each spouse ( $\$78,000 \div 2 = \$39,000$ ).

Mr. D has \$1,390 Social Security and \$233 pension with a total income of \$1,623. Mr. D has Medicare and a Medicare supplement with a monthly premium of \$100. Mr. D has total unmet medical deductions in the amount of \$285 (\$185 Medicare premium + \$100 Medicare supplement = \$285). Mrs. D has \$535 Social Security.

The April application was denied since Mr. D's resources exceed the \$2,000 resource limit. Mr. D appealed the attribution and the denial.

Since Mr. D became institutionalized after February 8, 2006, Mrs. D's income, plus the income that will be made available from Mr. D is used when determining the shortfall of income between the MMMNA and Mrs. D's available income for the attribution process.

\$ 1,390	Social Security
+ <u>233</u>	Pension
\$ 1,623	
- <u>50</u>	Personal needs allowance
\$ 1,573	Total of Mr. D's income available to Mrs. D
+ <u>535</u>	Mrs. Ds income
\$ 2,108	Total income available to Mrs. D when determining her shortfall for the annuity quote
\$ 3,948	MMMNA
- <u>2,108</u>	Total income available to Mrs. D
\$ 1,840	Shortfall of income used to determine the cost of an annuity for the attribution

If Mr. D is determined eligible, calculate the CP as follows:

\$ 1,390	Social Security
+ <u>233</u>	Pension
\$ 1,623	
- <u>2,901</u>	Mr. D's maintenance needs
\$ 0	Client participation
\$ 3,948	MMMNA
- <u>535</u>	Mrs. D's Social Security
\$ 3,413	Mrs. D's deficit of income

In this situation for client participation, Mrs. D has a \$3,413 deficit of income and Mr. D has no income left to divert to Mrs. D. If Mr. D had income left after the spousal diversion, this is when you would allow other deductions in the CP calculation, such as unmet medical needs (Medicare and health insurance premiums).

NOTE: Do not annualize the community spouse's income when determining the diversion to the community spouse in the client participation calculation.

The appellant must obtain one estimate of the cost of a single-premium lifetime annuity, based on the community spouse's age at the time of appeal, that would generate income equal to the difference between:

- The couple's available gross income and
- The MMMNA in effect when the appeal was filed.

Neither the applicant nor the community spouse has to purchase an annuity as a condition of Medicaid eligibility.

If the applicant is unable to obtain one estimate, assist the couple by contacting financial institutions. If the institution requires the identity of the applicant, obtain a release of information from the applicant.

If the financial institution is unable to provide an estimate, determine the shortfall between the couple's available gross income and the MMMNA. Multiply the shortfall by 12. Multiply this amount by the community spouse's "Life Expectancy in Years" row from the *Table for an Annuity for Life* from the Mortality Table issued by the Iowa Department of Revenue. (See next page.)

Formula:  $(\text{MMMNA} - \text{couple's available gross monthly income}) \times 12 \times \text{community spouse's life expectancy in years} = \text{single-premium lifetime annuity quote}$ .

Complete form [470-3144, Attribution of Resources Appeal Summary](#) according to instructions in [6-Appendix](#). Report the verified available income of the couple. Note and estimate the amount of any benefits for which the community spouse is eligible but is not receiving. Attach copies of the annuity bid to the form.

Send the form to the Appeals Section, 321 E. 12<sup>th</sup> Street, Des Moines, Iowa 50319.

1. When Mr. H enters a medical institution, the resources attributed to Mrs. H are \$30,828. When Mr. H applies for Medicaid, the resources of Mr. and Mrs. H are \$31,500 as of the first moment of the first day of the month of application.  
  
The worker subtracts the \$30,828 attributed to Mrs. H from the total. Mr. H has \$672. He is resource eligible under any Medicaid coverage group.
2. Mr. and Mrs. J are SSI eligible. When Mrs. J enters a medical institution in November, Mr. and Mrs. J have \$2,997 in resources. All of the resources are attributed to Mr. J to meet the minimum protection of \$31,584. Mrs. J is resource eligible for Medicaid payment of nursing facility care.
3. Mr. and Mrs. K are eligible for Medically Needy. Their resources are \$9,800 when Mr. K enters skilled care in December. All of the resources are attributed to Mrs. K to meet the minimum protection of \$31,584. Mr. K is resource eligible for Medicaid payment of nursing facility care.
4. Mr. I enters a nursing facility in December. At that time, resources attributed to Mrs. I are \$31,584. Mr. I applies for Medicaid six months later. He reports that his resources have increased. The total is \$75,000 at the time of application. However, only \$31,584 can be attributed to Mrs. I. The other \$43,416 is countable to Mr. I.

If the institutionalized spouse's resources exceed limits for nursing facility coverage groups, check eligibility under the qualified Medicare beneficiary (QMB) group or Medically Needy coverage group. Review resource eligibility at redetermination to ensure that the coverage group continues to be correct.

Mr. D enters a nursing facility in November. Mrs. D remains at home. Their resources total \$33,950 in November. Mrs. D is attributed \$31,584 and \$2,366 is attributed to Mr. D. He is resource-eligible for Medically Needy coverage.

Mrs. D asks that the resources be reevaluated in February, since their resources have decreased. As of the first moment of the first day of the month, the combined resources of both spouses are \$32,100. Subtracting the \$31,584 attributed to Mrs. D, Mr. D has \$516 in resources. Mr. D is resource-eligible under any Medicaid coverage group.



1. Mr. W, the institutionalized spouse, has \$1,900 in resources attributed to him and is eligible for Medicaid. He jointly owns a CD valued at \$20,000. To remain eligible for Medicaid payment to the nursing facility, he must transfer \$18,000 of the CD to reduce his ownership down to \$2,000. He may transfer the total value if he wishes.
2. Mr. J is determined eligible for Medicaid in a medical institution. The amount of resources attributed to Mrs. J (the community spouse) and owned by Mrs. J is \$7,000, which is under the \$31,584 minimum.  
  
A year later, Mr. J receives an inheritance of \$5,000. The IM worker verifies that when Mr. J received the inheritance, Mrs. J's resources were \$6,000. Mr. J intends to transfer \$4,000 to Mrs. J since her resources are under the \$31,584 minimum. He signs a statement to this effect.  
  
Mr. J's remaining resources are \$1,000 ( $\$5,000 - \$4,000 = \$1,000$ ). He is below resource limits for Medicaid and continues to be eligible.

When the member intends to transfer the resource, monitor the progress of the transfer. The transfer must take place within 90 days. The member must provide verification of the transfer. Send a notice similar to the following:

Medicaid has been approved effective \_\_\_\_\_, since your intent is to transfer resources to your spouse within 90 days of the date of this eligibility determination.

Failure to transfer the resource within 90 days will result in cancellation of Medicaid benefits unless unusual circumstances exist. Please notify this office when the resource is transferred and provide proof that the resource was transferred. [8-D, Transfers to Establish Ongoing Eligibility.](#)

Contact the member or authorized representative within 45 days of the notice to check the status of the transfer. Contact the member at the end of 90 days to see if the resources were transferred.

If the institutionalized spouse is not able to transfer excess resources because of circumstances beyond the member's control, you can allow another 90 days. If, at the end of this extended 90-day period, the resources have not been transferred, cancel the case.

In some cases, the transfer of resources may cause Medicaid ineligibility for the community spouse. After the transfer has been made, examine the effect of the transfer on the community spouse's Medicaid eligibility.

Mr. and Mrs. K are eligible for Non-MAGI-related 503 program at home. Mrs. K enters a nursing facility in January. All \$2,900 of their resources are attributed to Mr. K, who actually owns them. Mr. K is ineligible for the 503 program if he retains the \$2,900 resources. However, he is eligible for the Medically Needy program.

### **Summary Examples**

1. When Mr. R enters a nursing facility, Mrs. R files form 470-2577, *Resources Upon Entering a Medical Facility*. The Rs list resources of a farm that includes their homestead, \$4,000 in bonds, \$20,000 in stock, two cars, and \$6,000 in a checking account.

#### **Completing the Attribution**

The following items are used to complete the attribution:

\$ 4,000	Bonds
20,000	Stocks
4,500	One car
+ 6,000	Checking account
<u>\$ 34,500</u>	Total resources

The worker divides \$34,500 by 2, which equals \$17,250. Because this is less than \$31,584, the amount attributed to Mrs. R (the community spouse) is \$31,584. The remaining amount of \$2,916 is attributed to Mr. R.

#### **Appealing an Attribution**

After the attribution is complete, Mrs. R files an appeal to set aside additional resources that would generate income equal to the difference between the couple's available income and the MMMNA. The deficit in income is \$1,622.

The cost of an annuity to generate \$1,622 per month is \$103,119. Because \$103,119 is more than the \$31,584 attributed to Mrs. R, the attribution will be modified to substitute \$103,119 for the \$31,584 previously attributed to Mrs. R. No resources are attributed to Mr. R.

### Determining Eligibility After the Appeal

After the appeal, Mrs. R applies for Medicaid for Mr. R. The worker subtracts the community spouse allowance of \$103,119 from the couple's resources. This leaves no resources available to Mr. R. He is resource-eligible for Medicaid payment for nursing facility care. Mr. R has 90 days to transfer resources to Mrs. R to maintain his eligibility.

2. Mrs. J enters a nursing facility and files form 470-2577, *Resources Upon Entering a Medical Facility*. The Js list resources of a \$150,000 farm, a homestead, \$10,000 in bonds, \$100,000 in CDs, one car, \$10,000 in a checking account, and \$55,000 in a savings account.

### Completing the Attribution

The following items are used to complete the attribution:

\$ 150,000	Farm
10,000	Bonds
100,000	CDs
10,000	Checking account
+ 55,000	Savings account
\$ 325,000	Total resources

\$157,920 is attributed to Mr. J. \$167,080 is attributed to Mrs. J.

### Appealing an Attribution

After the attribution is complete, Mr. J files an appeal to set aside additional resources to generate income equal to the difference between the couple's income and the MMMNA. The couple's available income is \$1,844 per month.  $\$3,948 - \$1,844 = \$2,104$  unmet need.

The average estimate of the cost of an annuity to generate \$2,104 per month is \$101,000, which is less than the \$157,920 attributed to Mr. J. The attribution remains the same.

### **Determining Eligibility After the Appeal**

After the appeal, Mr. J files an application for medical assistance for Mrs. J. The Js have the following resources at the time of application:

\$ 61,920	CDs
50,000	Bonds
10,000	Checking account
+ 40,000	Savings account
\$ 161,920	Total resources

The worker subtracts the community spouse allowance of \$157,920. This leaves \$4,000 in resources available to Mrs. J. She is ineligible for Medicaid payment for nursing facility care, because she is over the resource limit.

### **Estate Recovery**

Legal reference: 441 IAC 75.28(7)

The cost of medical assistance is subject to recovery from the estate of certain Medicaid members. Members affected by the estate recovery policy are those who:

- Are 55 years of age or older, regardless of where they are living; or
- Are under age 55 and:
  - Reside in a nursing facility, an intermediate care facility for persons with an intellectually disability, or a mental health institute, and
  - Cannot reasonably be expected to be discharged and return home. See [Establishing Whether a Member Under Age 55 Can Return Home.](#)

Give a copy of [Comm. 123](#) or [Comm. 123\(S\)](#), *Important Information for You and Your Family Members About the Estate Recovery Program*, to all Medicaid applicants at the time of the application.

An “estate” includes all real property, personal property, or any other asset in which the member had any legal title to or interest in at the time of the death of the member, to the extent of such interest. This includes, but is not limited to, interest in jointly held property, interest in trusts and retained life estates.

All assets included in the Medicaid member’s estate are subject to probate for the purpose of estate recovery. **NOTE:** It is not allowable for assets of a deceased member to be used to pay for travel expenses of family members of the deceased at the time of the member’s death.

Ms. E applies for Medicaid while living in a skilled nursing facility. She has transferred \$10,000 to her son. She says her son is disabled, but he is not receiving any disability benefits. The Department refers the son to apply for SSI, because he has no income.

Ms. E's application is approved for other medical services but is pended for facility payments due to the need to determine her son's disability. If the son does not apply for SSI, the Department determines disability. If the son is not determined to be disabled, transfer of asset penalties are applied.

- The applicant or member or the applicant or member's spouse transfers an asset that would have been exempt as a resource at the time of transfer.

Mr. and Mrs. D have \$11,000 in total assets in March. On April 14, they gave away \$5,000 in certificates of deposit to their daughter. Mrs. D enters a medical institution to stay on April 30.

Since the Ds owned total assets of less than \$31,584, the minimum protected amount for the community spouse in the month before the month of entry and attribution, the transfer is not for the purpose of qualifying for Medicaid.

EXCEPTION: Transfers of a home and surrounding property (including the transfer of a life estate interest only) are not exempt from transfer penalties.

- A transfer was made into a trust established solely for the benefit of:
  - The person's child or adult child who is blind or disabled, as defined by the Social Security Administration.
  - A person under 65 years of age who is disabled, as defined by the Social Security Administration.
- A transfer made between spouses or to another person for the sole benefit and support of the community spouse.

1. Mr. Q transfers his half of a \$25,000 certificate of deposit to his daughter on May 14, 2005, for Mrs. Q's benefit. Mr. Q then applies for Medicaid on May 20, 2005. On June 1, 2005, he enters a skilled nursing facility. Mr. Q furnishes a statement that the money was transferred because Mrs. Q is handicapped, and the daughter will be handling Mrs. Q's finances.

This transfer does not disqualify Mr. Q for payment of nursing facility services because the transfer was for the benefit of his spouse.

The resources of the ineligible spouse must be deemed to the eligible spouse. See [Deeming from a Spouse](#). Determine which resource limit to use, based on whether or not the ineligible spouse has income to deem to the eligible spouse (according to procedures in [8-E](#)).

- Use the resource limit for an individual when no income is deemed from the ineligible spouse.
- Use the resource limit for a couple when income is deemed from the ineligible spouse.

EXCEPTIONS:

- The resource limit is \$4,000 for an individual eligible as a qualified disabled and working person.
- The resource limit is \$6,000 for a married couple living together who are eligible as qualified disabled and working persons.
- The resource limit is \$9,660 for an individual eligible under one of the following coverage groups:
  - Qualified Medicare beneficiaries
  - Specified low-income Medicare beneficiaries
  - Expanded specified low-income Medicare beneficiaries
- The resource limit is \$14,470 for a couple eligible under one of the following coverage groups:
  - Qualified Medicare beneficiaries
  - Specified low-income Medicare beneficiaries
  - Expanded specified low-income Medicare beneficiaries
- The resource limit is \$10,000 for an individual or couple in the SSI-related Medically Needy coverage group.
- The resource limit is \$12,000 for an individual in the Medicaid for employed people with disabilities coverage group.
- The resource limit is \$13,000 for a couple in the Medicaid for employed people with disabilities coverage group.
- All household resources are disregarded in the eligibility determination of children in certain coverage groups. See [Resource Eligibility of Children](#).

**Individual  
Development  
Accounts**

20 CFR 416.1201,  
20 CFR 416.1210,  
20 CFR 416.1236;  
P. L. 105-285, Section  
415, P. L. 106-554

Contributions that are deposited in a Demonstration Project IDA are excluded from resources. Any matching funds that are deposited in a Demonstration Project IDA and interest earned are excluded from resources.

**Indian Assistance**

20 CFR 416.1201,  
20 CFR 416.1210,  
20 CFR 416.1236;  
P. L. 101-508,  
P. L. 92-254,  
P. L. 94-114,  
P. L. 103-66

Exclude judgment funds distributed to members of Indian tribes and payments that were received from certain lands and subsurface mineral rights, then distributed to tribal members.

Exclude up to \$2,000 of income per year received by a Native American from interests of Indian trusts or restricted lands. Exclude any land that the client or spouse cannot dispose without the consent of the tribe, a federal government agency, or other persons.

**Insurance (Death  
Benefits)**

20 CFR 416.1201,  
20 CFR 416.1210,  
20 CFR 416.1230;  
P. L. 101-508

Exclude in the month of receipt and the following month life insurance or death benefits not spent on the insured's last illness or burial. If the money is reimbursement for expenses of the last illness or burial, exclude it only for the month of receipt.

**Insurance (Life)**

20 CFR 416.1230

Exclude the cash surrender value of life insurance policies with a combined face value totaling \$1,500 or less per owner. If the total face value of life insurance owned by the applicant or member is more than \$1,500, count the cash surrender value toward the resource limit.

Exclude the face value all life insurance that has no cash surrender value, such as term insurance.

For purposes of this comparison, the countable face value of a life insurance policy is the total face value minus any face value purchased with dividends from the policy.

Insurance (Life) (Cont.) If the face value of the policy increases in other ways, use the adjusted face value. Do not include additional sums payable if the member dies in an accident. The **cash surrender value** is the amount that the insurance company will pay if the policy is canceled before death (this value usually increases with the age of the policy). The cash surrender value may include dividends and may decrease with loans.

Funds paid as accelerated payments from the policy do not change the value of the resource. These payments, called **accelerated death benefits**, are counted as income.

1. Mr. X owns two life insurance policies, one with a face value of \$750 and the other with a face value of \$500. Since the total face value of life insurance is \$1,250, the policies are exempt from resource consideration.
2. Mr. Y owns three life insurance policies with face values of \$1,000, \$750, and \$500, totaling \$2,250. Mrs. Y owns one life insurance policy with a face value of \$1,000.  
  
Mrs. Y's policy is ignored in the computation because its face value is less than \$1,500 per owner. Since Mr. Y's policies total \$2,250, the cash surrender value of each policy must be determined.
3. Mr. and Mrs. Q and their child have life insurance with a face value of \$4,000. Mr. Q owns the policy. The cash value is counted towards the resource limit.

Count accumulated dividends that are not used to purchase additional insurance as a resource in the same manner as money in a bank account. Count the accumulated dividends even if the countable face value of the policy is less than \$1,500 and the cash value of the life insurance is excluded.

Do not include the face value of dividend additions in determining whether a policy is a countable or excludable resource. If the policy is a countable resource, include the cash surrender value of dividend additions in determining the resource value of the policy.



**Property in a Homestead for People Requesting Long-Term Care**

441 IAC 75 (Rules in Process)

A person is not eligible for payment of nursing facility services or other long-term care services, if the person has substantial equity interest in their homestead. This limit does not apply:

- If the spouse, or child who is under age 21, or the person's child who is blind or disabled, as defined by Social Security, resides in the home; or
- To people approved based on an application or request for payment of long-term care services filed before January 1, 2006.
- Use the following chart to determine the correct maximum equity amount based on the date of application.

Application filed on or after: Equity interest cannot exceed

January 1, 2014	\$543,000
January 1, 2015	\$552,000
January 1, 2017	\$560,000
January 1, 2018	\$572,000
January 1, 2019	\$585,000
January 1, 2020	\$595,000
January 1, 2021	\$603,000
January 1, 2022	\$636,000
January 1, 2023	\$688,000
January 1, 2024	\$713,000
January 1, 2025	\$730,000

**Property Earning Six Percent of Equity**  
20 CFR 416.1222

Exclude real property as a resource if its equity value does not exceed \$6,000 and the net annual return earned on the property is at least 6% of the equity value. **Equity** is the current market value of the property minus any legal debt on the property. **Market value** is the amount an item can be sold for on the open market.

To determine if the property is earning 6% of equity, multiply the net monthly income by 12 months. This amount is the net annual return earned on the property. Then multiply the equity value by 6%. Compare the net annual return amount to the 6% of equity amount.