

2316 – HOMEPLACE: ABD MEDICAID

<p>POLICY STATEMENT</p>	<p>A non-institutionalized A/R’s homeplace, regardless of value, is excluded from resources in its entirety. An institutionalized A/R’s homeplace is a countable resource, but the value will be considered exempt in certain instances.</p>
<p>BASIC CONSIDERATIONS</p>	<p>The homeplace is property in which the A/R or a deemor has an ownership interest and that serves as the principal place of residence of the A/R, the A/R’s spouse or other dependent relative.</p> <p>The homeplace consists of the following:</p> <ul style="list-style-type: none"> • the shelter in which the A/R lives • the land on which the shelter is located (home plot) • all land which adjoins the home plot if the adjoining land is not completely separated from the home plot by land in which neither the A/R nor a deemor has an ownership interest. <p>NOTE: Easements and public rights of way do <i>not</i> separate the property of the homeplace.</p> <ul style="list-style-type: none"> • all other buildings located on the homeplace property. <p>NOTE: SSA does not consider a <i>vacant</i> homeplace to be an excluded resource for purposes of determining SSI eligibility. A vacant homeplace may be an uncounted resource for an ABD Medicaid A/R only if the A/R resides in LA-D, or a dependent relative resides in the homeplace. (See DRA policy changes below, this page.) However, the homeplace will be designated as a countable resource if and when the homeplace is no longer in A/R’s name.</p> <p>A dependent relative can be a spouse, son, daughter, grandson, granddaughter, stepson, stepdaughter, in-laws, mother, father, stepmother, stepfather, grandmother, grandfather, aunt, uncle, sister, brother, stepsister, stepbrother, half-sister, half-brother, niece, nephew or cousin.</p> <p>Dependency may be found where the relative alleges <i>any</i> reasonable degree of reliance on the A/R’s homeplace. Reasonable factors of dependency are age, medical reasons, financial circumstances, etc. The degree of dependency is not material. It is not necessary to assign a dollar limitation for determining whether financial dependency exists.</p>

**BASIC
CONSIDERATIONS
(cont.)**

The Deficit Reduction Act (DRA) of 2005, enacted 2/8/06, has made substantial changes in the way the homeplace is considered for A/Rs in LA-D. **Exception:** Katie Beckett COA.

As of 10/1/06, but beginning with new and pending applications and reviews in 2/1/07, LA-D A/Rs, who own homeplace property with an equity value in excess of the **yearly updated** excess home equity limit, shall no longer be eligible for payment of nursing facility and other long term care Medicaid services. Some exceptions apply. See Procedures.

Excess Home Equity Limit

1/1/2016- 552,000

1/1/2017- 560,000

1/1/2018- 572,000

1/1/2019- 585,000

**ABSENCES FROM
HOMEPLACE**

Absence for A/RS in LA-A, B, or C:

Georgia Homeplace-A/Rs in LA-A, B, or C:

If the absent A/R's home is located in Georgia, the homeplace will continue to be excluded from resources if any one of the following conditions is met:

- The A/R or PR states in writing that the A/R plans to return to the homeplace.
- The A/R's spouse or dependent relative continues to live at the homeplace while the A/R is absent.
- Sale of the homeplace would cause undue hardship to a co-owner of the homeplace because of loss of housing.

Out of State Homeplace-A/Rs in LA-A, B, or C:

An out-of-state homeplace may be excluded from resources during the A/R's absence only if the A/R's spouse or dependent relative lives on the homeplace or if the A/R goes into LA-D.

Absence from Homeplace for A/Rs in LA-D:

The homeplace of an A/R residing in LA-D is a countable resource effective the first full month that the A/R resides in LA-D. However, the value of the homeplace may not be counted in the resource determination, as long as the A/R remains in LA-D, retains ownership interest and, as of 10/1/06, has equity value at or less than the excess home equity limit. See Procedures and Special Consideration in this section.

PROCEDURES

- Step 1** Verify and document the A/R's ownership interest in homeplace property. Refer to [Section 2060](#), ABD Medicaid Application Processing, for guidelines on completing a property search.
- Step 2** Place copies of any legal documents obtained via the property search or in the possession of the A/R or [Form 991](#)-Property Search Record in the case record.
- Step 3** For LA-D A/Rs or FBR A/Rs whose home is not excluded, determine the equity value by obtaining the current market value (CMV) minus any encumbrances (mortgage, legitimate and/or bona fide home equity loan or reverse mortgage). Refer to [Section 2303](#), Determining the Countable Value of Resources for ABD Medicaid.
- To determine if the loan is bona fide, obtain the following at a minimum:
- Copy of the note
 - Verify balance
 - Verify rate schedule
 - Verify payments
- If the A/R cannot verify the loan is bona fide, do not use the loan to offset the equity value of the home.
- Step 4** If an A/R residing in LA-A, B, or C intends to return to a homeplace, obtain the A/R's or PR's *written* statement for the case record.
- If the spouse or dependent relative lives in a Georgia or out-of-state homeplace, document the A/R's or PR's statement. If questionable, develop further by verifying with a home visit, collateral contact, etc.
- Accept and document the A/R's or PR's statement as to the degree of relationship and dependency unless questionable.
- Step 5** For LA-D A/R:
Beginning 2/1/07 with new applications, applications pending since 10/1/06 and at each review, do the following:
- If the homeplace is valued at excess home equity limit or less, do not count the value of the homeplace in the resource determination as long as the A/R remains in LA-D and retains ownership of the homeplace.

PROCEDURES

**Step 5
(cont.)**

See Special Considerations below.

- If the homeplace is valued greater than the excess home equity limit, the A/R is not eligible for payment of nursing facility and other long term care Medicaid services, unless the following is residing the in A/R's home:
 - the A/R's spouse
 - the A/R's child who is under age 21 or is blind or permanently disabled as defined by section 1614 of the DRA.

For NH and institutionalized hospice, do not authorize a vendor payment. For all home and community based waived COAs, deny/close the case. See Special Considerations below.

**SPECIAL
CONSIDERATIONS**

**Transfer of the
Homeplace**

Effective with OBRA '93, the homeplace is a countable resource for A/Rs in LA-D, even though the value may not be considered in the resource determination. For any homeplace transferred on or after 8-11-93 (OBRA '93), presume that the transfer was made for the A/R to avoid estate recovery, qualify for or to continue to qualify for Medicaid under OBRA '93. Homeplace transfers done on or after 2/8/06 for less than the FMV by either the A/R or spouse will result in a transfer of assets penalty. See exceptions in [Section 2342](#), Transfer of Assets.

Determine if the individual received FMV for the transferred homeplace property. If the individual received FMV for the property, a transfer of asset for less than the FMV does not apply. However, if the individual did not receive FMV for the property, compute a transfer of assets penalty. This policy applies even after the individual has established Medicaid eligibility. For reviews or specials, consider a transfer penalty on any transfer of homeplace property done 6/1/05 or after. For applications, consider a transfer penalty on any transfer of homeplace within the 36 month look back period or 60 month look back period effective 2/8/06. Undue hardship policy may apply. Refer to [Section 2345](#), Undue Hardship Provision for ABD Medicaid and [Section 2342](#), Transfer of Assets.

**Co-Ownership
Of Homeplace**

If the overall equity interest in the home is shared by co-owners, equity interest is determined by dividing the total equity interest by the number of shared owners proportional to their interest in the property.

SPECIAL

CONSIDERATIONS

(cont.)

Other Medicaid COAs	A/Rs determined ineligible for payment of nursing facility or long-term care Medicaid services due to substantial home equity are eligible for other Medicaid services if otherwise eligible for Medicaid.
Undue Hardship Waiver	A/Rs may request the home equity provisions be waived in the case of a demonstrated undue hardship . Refer to Section 2345 , Undue Hardship Provision.
Rental of Homeplace Property	Rental of Homeplace property is not subject to the Rental Property policy (6000/6% rule), as long as A/R retains ownership interest in the property. Count rental income as unearned income in the month of receipt.