



MassHealth Financial Protections for a Community Spouse

We recommend you consult a lawyer or credentialed financial planner with experience in this area to discuss your unique situation. This document is not meant to replace legal or professional financial advice, but to help you begin to understand your options.

What is MassHealth?

Medicaid, known as MassHealth in Massachusetts, provides needs-based health insurance. Medicaid is one of the few coverage options for long-term care. **All states have Medicaid community spouse financial protections, but the specifics vary; this information applies to MassHealth.**

MassHealth and Long-Term Care Coverage

The cost of care in a long-term care facility can quickly deplete one's savings. Single individuals must spend most of their savings before qualifying for MassHealth coverage, but there are protections in place to keep from impoverishing a spouse who still lives in the community (the "community spouse").

Community Spouse ASSET Protections

Financial eligibility for MassHealth for long-term care includes limits on both assets and income.

Non-Countable Assets

One vehicle is not countable as an asset regardless of its value. The home should also not be countable when there is a community spouse living in it (see more about the home below). Other non-countable assets include certain prepaid funeral/burial plans.

Retaining Assets

In general both spouse's assets are considered together, regardless of whose name they are under. The community spouse can retain all of the couple's assets up to \$120,900 (in 2017), and the applicant can retain an additional \$2,000. Assets in excess of \$122,900 (\$120,900 + \$2,000), in general must be spent on medical/institutional care or other allowable expenses before MassHealth would pay for long-term care. However, a higher asset allowance may be ordered by a court or fair hearing on appeal (learn more below under "Retaining Assets to Generate Income").

The Home

If your spouse is living in the home it is not counted for MassHealth long-term care eligibility, regardless of its value. Applicants are allowed to transfer title of the home to a spouse (or some other relatives in specific circumstances) within a brief window of

time after applying for MassHealth for long-term care. This may be advisable in case the community spouse predeceases the long-term care resident.

Other Planning Options

Depending on your unique situation, other planning options for reducing excess assets may be available to you. These might include purchasing an immediate annuity, spending down assets in a way that preserves them, transferring assets to exempt beneficiaries or into trust for their benefit, seeking an increased resource allowance (see more below) and purchasing non-countable assets. Again, **we recommend you consult a lawyer or credentialed financial planner with experience in this area for advice pertinent to your unique situation.**

Community Spouse INCOME Protections

The community spouse's income is not counted in determining the institutionalized spouse's MassHealth eligibility. **As the community spouse you can keep all of your own income.**

If you have a low income, you may even be able to keep some of your institutionalized spouse's income. If your income is below your unique "monthly maintenance needs allowance" (MMNA) as calculated by MassHealth, MassHealth may allow a deduction from the institutionalized spouse's income to be allocated to you to make up the difference. For 2017 the monthly maintenance needs allowance will be between \$2,002 and \$3,022 (may change midyear).

Retaining Assets to Generate Income

If the MMNA is still not reached after allocation from the institutionalized spouse, you can appeal to retain additional assets. If successful you may be able to retain additional assets to either generate sufficient income for the community spouse or cover certain of the spouse's high expenses (such as assisted living costs or home-care costs). Please note that this can only be approved on appeal.

Sources and Additional Information

- Eligibility for MassHealth for Long-Term Care: <http://www.masslegalservices.org/system/files/library/MassHealth-Guide-2012-Parts-12-and-13.pdf> (Note: there are special eligibility rules for those who need long-term care. See question 128 - 130, pp. 139 - 142.)
- Download the Guide: [The Basic Rules of Nursing Home MassHealth Eligibility](#) from the elder law firm Margolis & Bloom (registration required).
- Minimum Monthly Maintenance Needs Allowance (figures change annually): <http://www.mass.gov/eohhs/docs/masshealth/memlibrary/figures-used-to-determine-minimum-monthly-maintenance-needs-allowance.pdf>
- Immediate Annuities and other options: <http://www.margolis.com/our-blog/immediate-annuities-in-masshealth-planning>