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To qualify for Medicaid, applicants must pass some fairly strict tests on the amount of assets they can keep. To understand how Medicaid works, we first need to review what are known as *exempt* and *non-exempt* (or countable) *assets*. *Exempt assets* are those which Medicaid will not take into account (at least for the time being). In general, the following are the primary exempt assets:

- Home, no matter what its value. The home must be the principal place of residence. The nursing home resident may be required to show some "intent to return home" even if this never actually takes place.
- Personal belongings and household goods.

- One car or truck.
- Income-producing real estate.
- Burial spaces and certain related items for applicant and spouse.
- Up to \$1,500 designated as a burial fund for applicant and spouse.
- Irrevocable prepaid funeral contract.
- Value of life insurance if face value is \$1,500 or less. If it does exceed \$1,500 in total face amount, then the cash value in these policies is countable.

All other assets are generally *non-exempt*, and are countable. Basically, all money and property, and any item that can be valued and turned

into cash, is a *countable asset* unless it is one of those assets listed above as exempt. This includes:

- Cash, savings, and checking accounts, credit union share and draft accounts.
- Certificates of deposit.
- U.S. Savings Bonds.
- Individual Retirement Accounts (IRA). Keogh plans (401K. 403B). Nursing home accounts.
- Prepaid funeral contracts which can be canceled.
- Trusts (depending on the terms of the trust)
- Real estate (other than the residence).
- More than one car.
- Boats or recreational ve-

hicles.

- Stocks, bonds, or mutual funds.
- Land contracts or mortgages held on real estate sold.

While the Medicaid rules themselves are complicated and tricky, it's safe to say that a single person will qualify for Medicaid as long as she has only exempt assets plus a small amount of cash and/or money in the bank, up to \$2,000 in Michigan.