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## **Medi-Cal Eligibility Planning**

By Kirsten Howe





## Eligibility

- Medical
- Income
- Assets



**Medi-Cal Eligibility Planning**



# Medi-Cal v. Medicare

- Rehabilitation v. Custodial
- 100 Days Maximum Benefit

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## Assets

- Exempt
  - House, car, tangible personal property
  - Spouse's IRAs, 401Ks
  - Permanent life insurance < \$1500
  - \$2,000
  - CSRA for married couples \$120,900
- Non-exempt but Unavailable
  - IRAs/401Ks on payout
  - Some annuities
- Everything Else Makes Client Ineligible

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# Planning Considerations

- Share of Costs
- Look-Back Period
- Penalty Period
- Estate Recovery



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## Share of Costs

- Income v. Medical Expenses
- \$35 Personal Allowance
- Minimum Monthly Maintenance Needs Allowance \$3,023

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# Look Back Period

- 30 Months
- 60 Months for Transfers to Trust
- From Date of Application Backward



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# Penalty Period

- Average Private Pay Rate \$8,515
  - Penalty Calculated in Months
  - Current Law
    - Begins on Date of Transfer
    - Each Separate Transfer has a Separate Penalty
    - Penalties Run Concurrently
    - 30 Month Maximum Penalty

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# Estate Recovery

- From Exempt and Non-Exempt in Estate
- Does NOT Include Revocable Trust Assets
- No Estate Recovery if Surviving Spouse, Minor, Blind or Disabled Child

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# Eligibility Planning

- Convert Non-Exempt to Exempt Assets
- Gifting
  - Outright
  - Irrevocable Trust
- Convert Assets to Income (Annuities)
- Preserve Assets for Spouse to Increase Income (3100 Petition)

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**Thank You for Joining Us Today**





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