

## Medi-Cal for Long Term Care FAQ

A great deal of misunderstanding and misinformation exists when it comes to qualifying for Medi-Cal for Long Term Care. We have prepared these FAQ pages with the idea of building your knowledge from the ground up. Complicated questions, involving matching your financial situation against the Medi-Cal eligibility rules, are best answered via a telephone conversation.

### **1. What is Medi-Cal for Long Term Care?**

Medi-Cal is California's version of Medicaid, the federal health benefits program. Medi-Cal for Long Term Care is for individuals who need financial help to pay for nursing home stays. Seniors with chronic conditions are the main beneficiaries, but the program can also help those under 65 with debilitating health problems that require 24-hour care.

### **2. How is Medi-Cal different from Medicare?**

Many folks initially confuse Medi-Cal with Medicare, which is the federal program that covers catastrophic care for seniors. Medicare will pay hospitalization costs plus a percentage of costs up to a 100 days. It is considered the 'primary' insurance, with the individual's 'supplemental' insurance usually being a private health plan. If you do not have private health insurance, then Medi-Cal can be your 'supplemental' insurance, if you qualify. Medicare does not pay for custodial skilled nursing, which Medi-Cal will if you qualify for eligibility.

### **3. Who runs the Medi-Cal program?**

A three-part bureaucracy runs Medi-Cal. It is a federal program, with California-specific rules and regulations, administered at the county level. A county worker, along with a supervisor, determines eligibility. Occasionally, State Specialists will determine complicated cases.

### **4. How do you apply?**

Go to or call your county offices to get answers to questions along with an application packet. The application contains about a dozen forms, including the MC 210, SAWS 1, and DHS 6177. You, as the applicant, can apply yourself or you can have an authorized representative, such as Senior Medi-Benefits, apply for you.

### **5. How long is the application process?**

Every county has been given instructions by the State of California to process applications—either grant or deny eligibility—in less than 90 days. The simplest applications, with an efficient county, can take about three weeks. Most applications take between 45-90 days.

### **6. How do you qualify—healthwise?**

An Individual must first qualify to live longer than thirty days at the skilled nursing level of care. This determination is dependent on the Individual's ability (or inability) to complete at least four of the six Activities of Daily Living (ADLs) without help. The ADLs are: Transferring (mobility), Bathing, Feeding, Pottying, Dressing, Medicating. If the Individual can't do 3 of the 6 independently, then he or she qualifies for a skilled nursing bed, and, hence, would have the potential to receive Medi-Cal for LTC benefits.

**7. How does immigration status impact Medi-Cal eligibility?**

If you have a “green card,” Naturalization papers and/or a Certificate of US citizenship, you can apply for benefits.

**8. How do you qualify—financially?**

Medi-Cal is a needs based program, and the asset parameters, known as the ‘property resource limits’, depend upon whether you are a single individual or a married individual with an at home spouse. For a single, unmarried individual, countable assets must not be greater than \$2000. For a married individual with an at home spouse, the countable, combined assets can reach \$106,400.

**9. What are ‘countable assets’?**

Checking, savings, CDs, and investment accounts including mutual funds, stocks and bonds; credit union accounts; life insurance policies with face value more than \$1500; annuities that are not ‘Medi-Cal’ friendly; annuities that are not annuitized; automobiles, if there is more than one registered; second homes and non-business properties; accounts held in revocable trusts; promissory notes.

**10. What are ‘exempt assets’?**

The primary residence is considered exempt, if the applicant is married with an at-home spouse, or if the applicant is an individual who intends to return home. Other exempt assets include property used in business or trade; preneed burial expenses; life insurance with face value under \$1500, IRAs, pensions, and annuities, if the beneficiary is receiving periodic payments.

**INTERMEDIATE****11. What are the income limits?**

Gross income is counted and computed into the ‘share of cost’ (SOC), which is the monthly co-pay for the program. There is no limit, but the SOC will go up accordingly. A Medi-Cal recipient living in a nursing facility is allowed to keep \$35/month for personal expenses.

**12. What is covered by Medi-Cal for Long Term Care?**

The program covers nursing home daily room rates, after the share of cost is deducted. It will also cover doctor’s visits, incidentals such as diapers, and dental care. Daily room rates at senior residences, board & care facilities, and assisted living facilities are not covered.

**13. Can you still qualify if you are over PRL (Property Resource Limit)?**

Yes. You will need to successfully transfer your assets according to state guidelines. This process is known as the ‘spend down.’

**14. How do you ‘Spend Down’ assets?**

Each case is different; therefore, there is no blanket answer. At Senior Medi-Benefits we strongly recommend an evaluation of the potential applicant’s situation before deciding a course of action. A partial list of things to be considered are current financial, Insurance, legal, family, and health status.

**15. What is the 30-month look back?**

The county worker will check the applicant's financial history during the past thirty (30) months to see if there were any disqualifying transfers. These would include lump sum gifts. The transfer sums can result in time penalties against the applicant when not transferred properly.

**16. What is the 'Eaves' report?**

The county worker will check federal and state tax records to generate the Eaves report (computer), to see if the applicant has divulged all accounts. We never recommend hiding or shielding assets, as their discovery later will jeopardize the chances of successfully qualifying for the program.

**17. What is the State Recovery Unit?**

After the death of the Medi-Cal recipient, attorneys working for the State Recovery Unit will try to find assets in the recipient's name. If there are any assets, the state will put a claim on the asset for reimbursement of funds paid out

**18. Will I lose the family home?**

It is possible that the family home can be 'lost' to pay the State back for Medi-Cal payments made to the recipient. This situation happens when the State puts a claim on the home after the death of the Medi-Cal recipient or after the death of the last living spouse. Your home is only exempt while you are living. Key Issue is how the home is titled at the time of death. We strongly recommend families to get the right advice before taking any action on the home.

**19. Do the regulations change often?**

The property resource limits change on a year-to-year basis. The regulations themselves are always undergoing review at the state level, coming under political pressure from lobbying groups, the state legislature, and the governor's office. There are currently a series of bills that have been introduced by state senators that would change many of the key components to qualifying for Medi-Cal.

**20. Will you be denied benefits if you don't have the correct identification documents?**

You must show a picture ID and one of the following to qualify for benefits: birth certificate, religious record, hospital record at time of birth, school record, military discharge papers or final adoption decree. However, you will not be denied benefits if you are showing good faith in attempting to attain verification.

**ADVANCED****21. What are the main reasons that eligibility is denied?**

The main reasons for denying eligibility are: when the applicant is over Property Resource Limits, or has performed asset transfers that incur significant time penalties, or is living at a non Medi-Cal long term care residence level, or when the applicant does not meet a county worker's request and therefore has 'failed to verify' information on the application with supplemental documentation.

**22. What is 'In Kind' Income and how is counted?**

When the family helps out financially to support a Medi-Cal beneficiary for food, rent and/or utilities, this help is called in-kind income. Any in-kind income over the allowable annual published government budget would be counted as extra income and could possibly increase the monthly share cost for an individual living independently.

**23. Does a Trust Protect the Family Home?**

Yes and no! Property in a revocable living trust is not protected from the State Recovery Unit. However, property in an irrevocable trust is usually safe from recovery. Trusts are complex in regard to Medi-Cal law and must be carefully devised. Talk to Senior Medi-Benefits first before seeking an attorney who may not know Medi-Cal law as a specialty. It is our responsibility to guide you in the right direction to avoid future estate claims.

**24. Can the State put a claim on a Life Insurance Policy or a Retirement Account?**

It depends. If you have named a beneficiary on the policy or on the retirement account, the State cannot file a claim. However, if the opposite is true and there is no beneficiary named, then your assets become recoverable allowing the State to file a claim on your policy or retirement accounts.

**25. Can you qualify for Medi-Cal if you are under 65 years old?**

Perhaps. The key to under 65 eligibility is to meet one of the disability requirements listed on the Presumptive Disability Form, which is a somewhat draconian set of questions concerning an individual's disability. If the individual is totally blind, totally deaf, an amputee, confined to a bed or comatose, suffered a severe stroke and lost the ability to do 3 of the 6 ADLs, or has Down's Syndrome, then the presumptive disability will be granted; you will still need to also qualify from an asset standpoint. The presumptive disability process can take six months to a year of state review.

**26. What is the new DRA regulations timetable and how will they affect eligibility?**

The adoption of the Federal Deficit Reduction Act of 2005 and its impact on MediCal are still being determined at the California state level. The timetable is a moving target, with certain regulations already adopted, such as the identification documents referred to in question # 20. The major changes, on life estate, annuity recovery, and asset transfers are still to be determined. For more information on current regulations and how they impact your potential case, please contact Senior Medi-Benefits.

**27. Whom should we turn to for help?**

Start with Senior Medi-Benefits. We have an Integrated approach designed to meet your needs. We have picked up the pieces of many improperly prepared Medi-Cal preplans and Immediate need Medi-Cal denials. It's always easier to get it right the first time.

**OUR RECOMMENDATION**

Because every case is different, we recommend you call us to discuss your specific situation.

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