

THE MEDICAID LANDSCAPE CHANGED
By Judith B. Raskin

In 2006, New York enacted changes in its Medicaid law that were mandated by the Deficit Reduction Act of 2005. These changes have considerably altered the planning options for those seeking to become Medicaid eligible. The most significant of these changes are:

1. A five year look-back to be phased in. One month will be added to the 36 month look-back period for every month after February 8, 2009 until the full 60 month lookback is reached.
2. A new start date for penalty periods. The period of ineligibility for institutional Medicaid because of gifts made by the applicant or the applicant's spouse that were within the 5 year look-back period will be calculated as before (dividing the value of the gift by the monthly regional rate). However this ineligibility period will not begin to run until 1) the applicant is in the nursing home; 2) the applicant is otherwise eligible for Medicaid, that is, has only the allowable resource amount (\$13,800 in 2009) and 3) has filed a timely Medicaid application.
3. Home equity limit is \$750,000. The applicant cannot have an equity interest in his or her home that is in excess of \$750,000 unless an exempt person is living there. Exempt persons include a spouse, disabled child or child under the age of 21.

Planning ahead is now more important than ever if you wish to plan for payment of long term care through the Medicaid program.