

MEDICAID ALERT

July 22, 2021

REPLACES ALERT
February 20, 2020

Substantial Home Equity
(Nursing Home and Community-Based LTC)

2021 Level – \$906,000

This revised Alert is to advise Residential Health Care Facilities (RHCs), Homecare Agencies and Managed Long Term Care Plans that New York State has increased the maximum allowable Home Equity threshold value. As of **January 2021**, the new Home Equity value limit was increased from its 2020 level of **\$893,000** to **\$906,000**.

The Home Equity value is calculated by subtracting all legal encumbrances (such as liens, mortgages etc.) from the fair market value of the home.

SSI related individuals or Non MAGI individuals whose equity interest in their homes exceeds the home equity limit (after legal encumbrances have been subtracted) **are not eligible** for the following services:

- Nursing Facility services,
- Community-based Long-Term Care (LTC),
- An increase in coverage for LTC.

Consumers whose equity interest in their home exceeds **\$906,000** will be evaluated for **Community Coverage without LTC**.

Medical bills may not be used to offset the value of an individual's equity interest in the home. However, consumers may reduce the home equity value through a reverse mortgage or a home equity line of credit.

The home equity limit does not apply:

- If one or more of the following individuals lawfully resides in the home: spouse, minor child under 21, or a certified blind or disabled child of any age.
- The limit does not apply to individuals who were in receipt of LTC services before

January 1, 2006 and have **not** experienced a break in eligibility for such services thereafter.

This provision is not to be applied if it creates an **undue hardship** that would deprive the consumer of:

- Medical care such that the individual's health or life would be endangered; or
- Food, clothing, shelter or other necessities of life, and there is a legal impediment that prevents him/her from being able to access his/her equity interest in the property.

Undue hardship may also exist if the consumer is a NYS Partnership for LTC policyholder who is eligible for Medicaid Extended Coverage per the terms of the Consumer Participation Agreement with New York State.

Individuals seeking LTC services and whose primary residence is a house, condominium or co-op apartment, may attest to the equity value by submitting form, **MAP-2050J**, along with an application or conversion package.