

## The Makofsky Minute | January 6, 2021

### New 2021 Medicaid Rates and Rules



The Medicaid Regional rates for 2021 were recently released. Traditionally, these regional rates are important for those applicants who have made gifts or transfers in the five years immediately preceding their nursing home Medicaid application. The Medicaid Regional rate is currently used to calculate the penalty period assessed for each non-exempt gift made during the five-year look back period prior to an application for nursing home benefits. However, beginning April 1, 2021, with the imposition of a new look back and penalty period for community Medicaid applications as well, these regional rates become even more important.

In 2021, to calculate a penalty period when gifts or transfers of non-exempt assets occur prior to the application for Medicaid benefits, the amount transferred is divided by \$13,834 in Nassau and Suffolk counties and \$13,037 in New York City. The resulting number represents the number of months the applicant is ineligible for Medicaid benefits. While we know how these penalties will be assessed for nursing home applications, it remains unclear how Medicaid will assess penalties for community Medicaid applications. What we do know is that no penalty period will be imposed for transfers made prior to an application for community Medicaid benefits that is submitted before April 1, 2021. This means that if you or a loved one is contemplating making a Medicaid application for home care, there is still time to do it without worrying about the imposition of the new look back and penalty period.

We have guided our clients in regard to Medicaid eligibility since 1991. We have a depth of knowledge. Medicaid rules are complicated. We have the legal knowledge to discuss the various plans available which can avoid or reduce penalty periods.

The updated income and resource allowances were also recently released. Effective January 1, 2021, the following applies to new applicants:

1. A Medicaid applicant/recipient can have up to \$15,900 in available resources;
2. A single applicant/recipient of Community Medicaid benefits can have up to \$884 in monthly income plus an additional \$20 for persons over the age of 65;
3. The community spouse of a nursing home resident can have monthly income of up to \$3,259.50;
4. The Maximum Community Spouse Resource Allowance is now \$130,380.

Please call our office if you think we can help you or a loved one.

