

2308 -VEHICLES

POLICY STATEMENT	The treatment of a vehicle as a resource is dependent upon the Class of Assistance (COA) under which eligibility is determined.
BASIC CONSIDERATIONS	<p>A vehicle, operable or temporarily inoperable, which is used for transportation and includes automobiles, trucks, motorcycles, golf carts, animal-drawn vehicles and animals.</p> <p>Permanently inoperable (junked) vehicles and vehicles used solely for recreational purposes are considered personal property. The equity value of each is a countable resource.</p> <p>Ownership of a vehicle must be established before it can be considered a resource. Refer to Section 2301, Family Medicaid Resource Overview and Section 2302, Ownership of Resources in ABD Medicaid, for policy regarding jointly owned resources.</p> <p>A vehicle which is used by a member of the assistance unit (AU) or budget group (BG) but which is registered to and owned by another individual who is not a member of the AU or BG is not considered a countable resource.</p> <p>Leased vehicles are not considered when determining eligibility, as the AU/BG does not <i>own</i> the vehicle.</p> <p>The value of a vehicle may not be considered when determining eligibility for certain COAs.</p>
ABD Medicaid Non-FBR COAs	Exclude all vehicles, except for those considered personal property, regardless of the number owned, use(s) of the vehicles or value(s) of the vehicles.
ABD Medicaid FBR COAs	<p>Exclude the value of one vehicle if used by the applicant/recipient (A/R) for any of the following reasons:</p> <ul style="list-style-type: none"> • necessary for employment • necessary for the treatment of an acute or chronic medical condition • modified for operation by, or the transportation of a handicapped person • necessary because of climate, terrain, distance or similar factors that affect the performance of normal daily activities. <p>Up to \$4500 of the fair market value (FMV) of one vehicle may be excluded if the automobile cannot be totally excluded for any of the above reasons. The value in excess of \$4500 is a countable resource.</p>

**BASIC
CONSIDERATIONS****ABD Medicaid
FBR COAs
(cont.)**

The equity value (EV) of any vehicle other than those wholly or partially excluded is a countable resource.

Exclusions are applied in the manner most advantageous to the A/R.

**Family Medicaid
COAs**

The value of a vehicle is excluded if used for either of the following reasons:

- primarily as a dwelling
- over 50% of the time for income-producing purposes.

The value of all other vehicles must be considered when determining the total countable resources for the AU.

A \$4,650 exclusion of one vehicle's value is given, regardless of the use of the vehicle.

The AU is allowed to choose the vehicle to which the exclusion is applied. Exclusions are applied in the manner most advantageous to the AU.

The Fair Market Value (FMV) of a vehicle is any one of the following:

- the assessed tax value determined by the county tag multiplied by 2.5
- the average trade-in value from the most current available *NADA* Official Used Car Guide
- the statement of a dealer.

If the AU claims the FMV is not representative of the value of the vehicle, the AU must be given the opportunity to provide a value rebuttal from another reliable source.

The Equity Value (EV) is the FMV less any indebtedness of financial encumbrances.

Special equipment to adapt a vehicle for use by a handicapped person is not considered in determining the value of a vehicle.

PROCEDURES

**ABD Medicaid
Non-FBR COAs**

Document the A/R's statement as to the number and make of each vehicle owned. Exclude the value of all vehicles except for those considered personal property.

**ABD Medicaid
FBR COAs**

Verify and document the FBR A/R's ownership of each vehicle. For each vehicle owned, include a photocopy of one of the following in the case record:

- title
- current year registration
- bill of sale

Verify and document usage of each vehicle. Accept the A/R's statement as verification of the use of a vehicle unless questionable. Determine the reason if a vehicle is owned but not used for transportation.

Unless questionable, accept the A/R's statement regarding factors qualifying a vehicle for an exclusion, regardless of the value of the vehicle.

Verify and document the FMV of a vehicle from one of the following sources:

- For vehicles up to 8 years old, the FMV is the average trade-in value listed in the most current available NADA Official Used Car Guide.
- For vehicles 8 to 18 years old, the FMV is the average trade-in value listed in the most current available NADA Older Car Guide.
- For vehicles more than 18 years old, use the value listed for the vehicle at 18 years old.

If the A/R disagrees with the NADA listed value and eligibility is affected by the value, give him/her the opportunity to rebut the value.

Rebuttal evidence consists of a written appraisal of the vehicle's FMV obtained by the A/R at his/her own cost from a disinterested knowledgeable source such as a used car or truck dealer or automobile insurance company.

PROCEDURES

**ABD Medicaid
FBR COAs
(cont.)**

Provide the rebuttal source with a complete description of the vehicle including year, make, model, equipment, etc. Assume the vehicle to be in average condition unless there is evidence to the contrary.

Inform the rebuttal source that the estimate should show the average retail value for the vehicle in the geographic area covered by the local media. If the estimate is obtained by telephone, document the file with all the pertinent facts.

**Family Medicaid
COAs**

The AU's statement of ownership of a vehicle is accepted, unless questionable.

Follow the steps below to determine the countable resource value of a vehicle for Family Medicaid:

- Step 1** Determine what vehicle(s) are owned by the AU and the use of each.
- Step 2** Determine if the value of any vehicle(s) can be totally excluded based on use.
- Step 3** Determine the year, make, model and FMV of any remaining vehicle(s) owned by the AU.
- Step 4** Determine the EV by subtracting the amount owned from the FMV.
- Step 5** Apply the \$4,650 exclusion to one vehicle.
- Step 6** Total the countable value of all vehicles, add to the value of other countable resources and apply to the resource limit.