

## 2316 – HOMEPLACE: ABD MEDICAID

<b>POLICY STATEMENT</b>	A non-institutionalized A/R's homeplace, regardless of value, is excluded from resources in its entirety. An institutionalized A/R's homeplace is a countable resource, but the value will be considered exempt in certain instances.
<b>BASIC CONSIDERATIONS</b>	<p>The homeplace is property in which the A/R or a deemor has an ownership interest and that serves as the principal place of residence of the A/R, the A/R's spouse or other dependent relative.</p> <p>The homeplace consists of the following:</p> <ul style="list-style-type: none"> <li>• the shelter in which the A/R lives</li> <li>• the land on which the shelter is located (home plot)</li> <li>• all land which adjoins the home plot if the adjoining land is not completely separated from the home plot by land in which neither the A/R nor a deemor has an ownership interest.</li> </ul> <p><b>NOTE:</b> Easements and public rights of way do <i>not</i> separate the property of the homeplace.</p> <ul style="list-style-type: none"> <li>• all other buildings located on the homeplace property.</li> </ul> <p><b>NOTE:</b> SSA does not consider a <i>vacant</i> homeplace to be an excluded resource for purposes of determining SSI eligibility. A vacant homeplace may be an uncounted resource for an ABD Medicaid A/R only if the A/R resides in LA-D, or a dependent relative resides in the homeplace. (See DRA policy change below, this page.) However, the homeplace will be designated as a countable resource if and when the homeplace is no longer in A/R's name.</p> <p>A <b>dependent relative</b> can be a spouse, son, daughter, grandson, granddaughter, stepson, stepdaughter, in-laws, mother, father, stepmother, stepfather, grandmother, grandfather, aunt, uncle, sister, brother, stepsister, stepbrother, half-sister, half-brother, niece, nephew or cousin.</p> <p>Dependency may be found where the relative alleges <i>any</i> reasonable degree of reliance on the A/R's homeplace. Reasonable factors of dependency are age, medical reasons, financial circumstances, etc. The degree of dependency is not material. It is not necessary to assign a dollar limitation for determining whether financial dependency exists.</p>

**BASIC  
CONSIDERATIONS  
(cont.)**

The Deficit Reduction Act (DRA) of 2005, enacted 2/8/06, has made substantial changes in the way the homeplace is considered for A/Rs in LA-D. **Exception:** Katie Beckett COA.

As of 10/1/06, but beginning with new and pending applications and reviews in 2/1/07, LA-D A/Rs, who own homplace property with an equity value in excess of \$500,000, shall no longer be eligible for payment of nursing facility and other long term care Medicaid services. Some exceptions apply. See Procedures.

**Absence for A/RS in LA-A, B, or C:****ABSENCES FROM  
HOMEPLACE****Georgia Homeplace-A/Rs in LA-A, B, or C:**

If the absent A/R's home is located in Georgia, the homeplace will continue to be excluded from resources if any one of the following conditions is met:

- The A/R or PR states in writing that the A/R plans to return to the homeplace.
- The A/R's spouse or dependent relative continues to live at the homeplace while the A/R is absent.
- Sale of the homeplace would cause undue hardship to a co-owner of the homeplace because of loss of housing.

**Out of State Homeplace-A/Rs in LA-A, B, or C:**

An out-of-state homeplace may be excluded from resources during the A/R's absence only if the A/R's spouse or dependent relative lives on the homeplace or if the A/R goes into LA-D.

**Absence from Homeplace for A/Rs in LA-D:**

The homeplace of an A/R residing in LA-D is a countable resource effective the first full month that the A/R resides in LA-D. However the value of the homeplace may not be counted in the resource determination, as long as the A/R remains in LA-D, retains ownership interest and, as of 10/1/06, has equity value of \$500,000 or less. See Procedures and Special Consideration in this section.

## PROCEDURES

<b>Step 1</b>	Verify and document the A/R's ownership interest in homeplace property. Refer to <a href="#">Section 2060</a> , ABD Medicaid Application Processing, for guidelines on completing a property search.
<b>Step 2</b>	Place copies of any legal documents obtained via the property search or in the possession of the A/R or <a href="#">Form 991</a> -Property Search Record in the case record.
<b>Step 3</b>	<p>For LA-D A/Rs or FBR A/Rs whose home is not excluded, determine the equity value by obtaining the current market value (CMV) minus any encumbrances (mortgage, legitimate and/or bona fide home equity loan or reverse mortgage). Refer to <a href="#">Section 2303</a>, Determining the Countable Value of Resources for ABD Medicaid.</p> <p>To determine if the loan is bona fide, obtain the following at a minimum:</p> <ul style="list-style-type: none"> <li>• Copy of the note</li> <li>• Verify balance</li> <li>• Verify rate schedule</li> <li>• Verify payments</li> </ul> <p>If the A/R cannot verify the loan is bona fide, do not use the loan to offset the equity value of the home.</p>
<b>Step 4</b>	<p>If an A/R residing in LA-A, B, or C intends to return to a homeplace, obtain the A/R's or PR's <i>written</i> statement for the case record.</p> <p>If the spouse or dependent relative lives in a Georgia or out-of-state homeplace, document the A/R's or PR's statement. If questionable, develop further by verifying with a home visit, collateral contact, etc.</p> <p>Accept and document the A/R's or PR's statement as to the degree of relationship and dependency unless questionable.</p>
<b>Step 5</b>	<p>For LA-D A/R:</p> <p>Beginning 2/1/07 with new applications, applications pending since 10/1/06 and at each review, do the following:</p> <ul style="list-style-type: none"> <li>• If the homeplace is valued at \$500,000 or less, do not count the value of the homeplace in the resource determination as long as the A/R remains in LA-D and retains ownership of the homeplace. See Special Considerations below.</li> </ul>

**PROCEDURES****Step 5  
(cont.)**

- If the homeplace is valued in excess of \$500,000, the A/R is not eligible for payment of nursing facility and other long term care Medicaid services, unless the following is residing the in A/R's home:
  - the A/R's spouse
  - the A/R's child who is under age 21, or is blind or permanently disabled as defined by section 1614 of the DRA.

For NH and institutionalized hospice, do not authorize a vendor payment. For all home and community based waived COAs, deny/close the case. See Special Considerations below. See [Appendix I](#), SUCCESS Functions for entering data in the computer system.

**SPECIAL  
CONSIDERATIONS****Transfer of the  
Homeplace**

Effective with OBRA '93, the homeplace is a countable resource for A/Rs in LA-D, even though the value may not be considered in the resource determination. For any homeplace transferred on or after 8-11-93 (OBRA '93), presume that the transfer was made for the A/R to avoid estate recovery, qualify for or to continue to qualify for Medicaid under OBRA '93. Homeplace transfers done on or after 2/8/06 for less than the FMV by either the A/R or spouse will result in a transfer of assets penalty. See exceptions in [Section 2342](#), Transfer of Assets.

Determine if the individual received FMV for the transferred homeplace property. If the individual received FMV for the property, a transfer of asset for less than the FMV does not apply. However, if the individual did not receive FMV for the property, compute a transfer of assets penalty. This policy applies even after the individual has established Medicaid eligibility. For reviews or specials, consider a transfer penalty on any transfer of homeplace property done 6/1/05 or after. For applications, consider a transfer penalty on any transfer of homeplace within the 36 month look back period or 60 month look back period effective 2/8/06. Undue hardship policy may apply. Refer to [Section 2345](#), Undue Hardship Provision for ABD Medicaid and [Section 2342](#), Transfer of Assets.

**Co-Ownership  
Of Homeplace**

If the overall equity interest in the home is shared by co-owners, equity interest is determined by dividing the total equity interest by the number of shared owners proportional to their interest in the property.

**SPECIAL  
CONSIDERATIONS  
(cont.)****Other Medicaid  
COAs**

A/Rs determined ineligible for payment of nursing facility or long term care Medicaid services due to substantial home equity are eligible for other Medicaid services if otherwise eligible for Medicaid.

**Undue Hardship  
Waiver**

A/Rs may request the home equity provisions be waived in the case of a **demonstrated undue hardship**. Refer to [Section 2345](#), Undue Hardship Provision.