

# QUALIFIED INCOME TRUST

## Background

The income requirement for Medicaid states that gross monthly income of the applicant cannot exceed a certain figure. The 20\_\_ figure has been set at \$\_\_\_\_\_. The State of Georgia determines the income requirement, which changes each January. In October 1993, a federal law became effective which allows applicants over the specified state income cap to establish an Irrevocable Qualified Income Trust (QIT) in order to become eligible for Nursing Facility, Hospice and Home and Community Based Services (i.e. Community Care Services, etc.) Medicaid.

## What Is the QIT and How Does It Work?

The Qualified Income Trust is an instrument that is used for applicants that have income over the limit. It involves a legal document and a Qualified Income Trust bank account. It is composed of the applicant's own income (Social Security, pension, etc.). Funds that are deposited into the Trust account each month are not counted as income in determining eligibility for Medicaid. By depositing the income in excess of the state cap that income becomes not countable and eligibility may be established. The QIT account must be properly funded on a monthly basis in order to achieve Medicaid eligibility monthly. Properly funded simply means that you have deposited, at minimum, the difference between the specified state income cap (minus a dollar) and the applicant's total income.

## What Do I Do Now?

Once the QIT document has been executed, you will take the document to a bank. You will open an account titled Qualified Income Trust. You will need to properly fund the account. Applicant will not be eligible until the first month that the trust has been properly funded. Copies of the QIT document, bank account document, and verification of a deposit into the account must be provided to the county Department of Family and Children Services (DFCS). The document will be forwarded to the Department of Community Health's Legal Section for approval.

Every month a deposit of at least \_\_\_\_\_ **must** be made into the QIT account. This amount is an estimate based on what we know now. More than this may be deposited, but not less. **If this deposit is not made, the applicant will not be eligible for Medicaid that month.** Save your deposit slips or bank statements, as you will be required to provide proof of each deposit to DFACS. **We strongly encourage that the individual's monthly gross income be deposited into the QIT account each month.**

The funds deposited into this account must be used each month to pay the Patient Liability to the nursing home, and, if applicable an amount to the community spouse. It is a good idea to make these payments as soon as possible, since upon death of the individual, the state receives all amounts remaining in the trust, up to the amount that has been paid on behalf of the individual by Medicaid.

## QUALIFIED INCOME TRUST (QIT) WORKSHEET

<u>Income Source</u>	<u>Monthly <b>Gross</b> Amount</u>
Social Security	_____
State Retirement	_____
V.A. Pension	_____
Other Pension	_____
Interest, Dividends	_____
Annuity	_____
Other	_____
<b>Total Monthly Income</b>	_____
Current Medicaid Cap - \$1.00	- _____
<b>Amount Over Cap*</b>	_____

**\*THIS IS THE MINIMUM AMOUNT THAT MUST BE DEPOSITED INTO THE QIT ACCOUNT EACH MONTH TO BE CONSIDERED PROPERLY FUNDED. HOWEVER, WE STRONGLY RECOMMEND THAT ALL OF THE INCOME BE DEPOSITED INTO THE QIT EACH MONTH. THIS WILL REDUCE THE PROBABILITY OF ERRORS. REMEMBER, FAILURE TO PROPERLY AND TIMELY FUND THE QIT WILL RESULT IN A LOSS OF ELIGIBILITY FOR THAT MONTH.**

Allowable QIT Disbursements	Amount
Patient Liability/Cost Share	\$
Personal Needs Allowance	\$
Diversion to Spouse/Dependent Family Member	\$
Incurred Medical Expense(s)	Any Medical Expense not covered by Medicaid.
Bank Fees	Bank fees related to the QIT account