



# THE BOND LAW FIRM

*Serving Houston Families Since 1994*

## ELDERLAW PLANNING SERVICES

# 2020 Medicaid Budget Numbers

### **Eligibility Criteria for a “Single” Applicant:**

- Must be a **US Citizen** or a lawfully admitted Alien.
- Must be a **Texas Resident**.
- Must meet a **Medical Necessity** assessment.
- Must be in a nursing home (that offers a Medicaid bed) for **30 days**.
- Must have income less than **\$2,349.00**.
- Must have Countable Resources less than **\$2,000.00**.
- Must be free of all penalties for uncompensated transfers or gifts (Penalty Divisor is **\$213.71**).

### **Eligibility Criteria for a “Couple” both filing (all criteria is the same except):**

- Must have combined income less than **\$4,698.00**.
- Must have Countable Resources less than **\$3,000.00**.

### **Spousal Impoverishment:**

- The applicant must divert all or enough of his or her monthly income to their non-institutional spouse, so the non-institutional spouse has gross monthly income of **\$3,216.50**.
- The non-institutionalized spouse is allowed to retain 50% of the couple's combined Countable Resources with a minimum of **\$25,728.00** maximum of **\$128,640.00**. In some cases, more resources are allowed.

### **Exempt Assets:**

- Homestead less than **\$595,000.00**.
- Personal Property.
- Automobile (**unlimited value**). A 2<sup>nd</sup> auto if the spouse works.
- **Irrevocable** pre-paid funeral contracts.
- **Burial plots**.

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# Frequently Asked Questions

## 1. What is a Miller Trust or QIT?

A Miller Trust is a legal device used to forgive a Medicaid applicant for being over the Monthly Income Cap.

## 2. Will the State of Texas take my house?

Absolutely! The Medicaid Estate Recovery Program will lay a claim to mom or dad's assets if they do not plan accordingly.

## 3. Can my parents just give me their house?

Yes, but by doing so it will cause transfer penalties and could prevent your loved one from receiving Medicaid benefits.

## 4. What is a Lady Bird Deed?

It is a property deed that reserves a life estate for the grantor while conveying a future remainder interest that is revocable. This deed is used to protect the applicant's home from estate recovery.

## 5. Does mom or dad need to sell their home?

No, the home is a non-countable asset and is exempt from spend-down if there is an intent to return home. Seek legal counsel about Medicaid Estate Recovery.

## 6. Will Medicaid pay past due medical bills?

If the person was eligible 3-months prior to filing the application, Medicaid can pay for the past due medical including hospital bills.

## 7. When should we consult with an Elder Law Attorney?

*When it becomes obvious that long-term care will be needed.* Note, get a Durable Power of Attorney executed before loss of capacity and make sure it has trust creation authority and gifting powers.



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