



# AGED, BLIND & DISABLED MEDICAID 402-4

## RESOURCES – Conditional Assistance

	ABD 402-4
<b>Supersedes:</b>	MA 402-4 (07/01/06)
<b>References:</b>	42 CFR 435.601, 20 CFR 416.1240-.1245; ARM 37.82.101, .423
<b>Overview:</b>	<p>Conditional assistance is a contractual agreement by the client to:</p> <ol style="list-style-type: none"><li>1. make a bona fide effort to sell excess non-liquid resources at current market value; and</li><li>2. repay Medicaid for benefits paid during the conditional assistance period.</li></ol> <p>Conditional assistance may be available to clients who own non-liquid resources in excess of the allowable limit.</p> <p><b>NOTE:</b> Conditional assistance cannot be used for property the client does not own (i.e., owned by a corporation or trust).</p> <p>Before conditional assistance can be used to reduce countable resources a client must:</p> <ol style="list-style-type: none"><li>1. Meet all non-financial eligibility criteria;</li><li>2. Own resources with a total countable value in excess of the ABD resource limit (see CMA 001).</li><li>3. Have countable <u>liquid</u> resources below the appropriate Medicaid resource limit when the item listed for sale is excluded by conditional assistance; and</li><li>4. Agree in writing (form HCS-97, "Agreement to Sell Property") to:<ol style="list-style-type: none"><li>a. Sell excess non-liquid resources within the conditional assistance period; and</li><li>b. Use net sale proceeds to repay Medicaid for benefits paid during the conditional assistance period.</li></ol></li></ol>
<b>LIQUID RESOURCES</b>	<p>Cash, as well as other non-cash resources are considered liquid and <u>therefore are not eligible under conditional assistance</u>. Absent proof to the contrary, the following are assumed to be liquid resources:</p> <ol style="list-style-type: none"><li>1. stocks, bonds and mutual fund shares;</li><li>2. checking accounts, savings accounts and time deposits;</li><li>3. U.S. savings bonds and Treasury bills, notes and bonds;</li><li>4. mortgages and promissory notes; and</li><li>5. life insurance.</li></ol>
<b>NON-LIQUID RESOURCES</b>	<p>A non-liquid resource is property which:</p> <ol style="list-style-type: none"><li>1. is not cash; and</li><li>2. cannot be converted to cash within twenty (20) workdays.</li></ol> <p>Absent proof to the contrary, the following are assumed to be non-liquid personal resources:</p> <ol style="list-style-type: none"><li>1. personal real property;</li><li>2. automobiles, trucks, tractors and other vehicles;</li></ol>

	<ol style="list-style-type: none"> <li>3. machinery and livestock;</li> <li>4. buildings and land;</li> <li>5. non-cash business property; and</li> <li>6. household goods and personal effects of unusual value.</li> </ol>
<b>JOINTLY-OWNED PROPERTY</b>	<p>Jointly-owned property that meets inaccessibility criteria does not need to go through the conditional assistance process. Review inaccessibility policy in CMA 401-1.</p> <p>If a jointly-owned property’s contract provides that an individual <b>cannot</b> sell their proportionate share without the consent of all joint owners and all joint owners provide a written statement indicating they refuse to agree, the property is considered inaccessible. Central office must evaluate the contract to establish inaccessibility.</p> <p>If a jointly-owned property’s contract provides that an individual <b>can</b> sell their individual proportionate share without the consent of all joint owners their proportionate interest is accessible.</p> <p>The client is required to provide verification of the FMV of only their proportionate interest of the property.</p> <p><b>NOTE:</b> Joint owners outside the Medicaid household cannot be required to list their proportionate portion for sale.</p>
<b>ELIGIBILITY PERIOD</b>	<p>Conditional Medicaid assistance may be provided to eligible individuals for a maximum of either 6 months (excess personal property) or 12 months (excess real property). Conditional assistance cannot be extended.</p> <p>No more than one conditional assistance period is allowed for the client’s ownership interest in any specific property.</p>
<b>RETROACTIVE CONDITIONAL ASSISTANCE</b>	<p>Conditional assistance can be applied retroactively only when the excess non-liquid resource(s) were already listed for sale during the retroactive eligibility period.</p> <p><b>NOTE:</b> Any retroactive months are included in the 6 or 12-month conditional assistance period.</p>
<b>REASONABLE EFFORTS TO SELL</b>	<p>All steps necessary to sell the property at FMV in the geographic area it is located must be taken. The applicant must, within 30 days of signing the conditional assistance agreement:</p> <ol style="list-style-type: none"> <li>1. List the property with an agent or other knowledgeable source in the business of selling the specific property type;</li> <li>2. All of the following: <ol style="list-style-type: none"> <li>a. continuously advertise the property for sale at FMV in at least one appropriate local media;</li> <li>b. place a “For Sale” sign on the property in clear public view;</li> <li>c. begin showing the property to interested parties (this may be through ‘open houses’ or other appropriate methods); AND</li> <li>d. attempt any other appropriate method of sale.</li> </ol> </li> </ol>

<b>REPAYMENT</b>	<p>The conditional Medicaid assistance that must be repaid is the lesser of the:</p> <ol style="list-style-type: none"> <li>1. client's share of net proceeds balance after deducting the: <ol style="list-style-type: none"> <li>a. amount necessary to raise the client's countable resources to the applicable resource limit, based on program and filing unit size (individual or couple); and</li> <li>b. legal encumbrances on the property; or</li> </ol> </li> <li>2. the total amount of conditional medical assistance payments made on the individual's (and spouse's, if any) behalf.</li> </ol> <p>The client must repay Medicaid benefits received during the conditional assistance period when the property is sold. It does not matter if the property is sold during or after the conditional assistance period or after the client is no longer receiving Medicaid benefits; the repayment must be made.</p> <p><b>NOTE: If the client does not repay Medicaid with the sale proceeds as agreed, an overpayment is established.</b></p>
<b>PROPERTY NOT SOLD DURING CONDITIONAL ASSISTANCE PERIOD</b>	<p>Property that is not sold during the conditional assistance period is considered inaccessible only if the client continues to make reasonable efforts to sell it. The property is a countable resource when the client is no longer making continuous reasonable efforts to sell.</p>
<b>MEDICAID LIENS</b>	<p>When both conditional assistance and a Medicaid lien apply to the same property, the larger obligation is owed to Medicaid. Normally, the Medicaid lien will be the higher of the two obligations, and will include the conditional assistance period.</p>
<b>TRACKING</b>	<p>OPA staff must track the property sale and pursue repayment when the property is sold, regardless of when it is sold.</p> <p>If a valid Medicaid lien exists, Lien and Estate Recovery will pursue repayment.</p> <p>OPA staff must verify that a valid Medicaid lien exists before they cease tracking the property sale.</p>
<b>EFFECTIVE DATE:</b>	July 1, 2016