

Department of Public Health  
and Human Services

Section:  
RESOURCES

FAMILY RELATED MEDICAID

Subject:  
Ownership/Accessibility/Equity Value

**Supersedes:** FMA 401-1, 01/01/08

**References:** ARM 37.82.101; 42 CFR 435.601

GENERAL RULE--A resource is real or personal property that has economic value. Resources can include, but are not limited to cash, savings, investments, house, land, vehicles, etc. The filing unit's resources are evaluated for ownership, accessibility, and equity value. All resources are countable unless specifically excluded by regulation.



No exclusions listed in this section will be applied to property a filing or assistance unit does not own, nor to the use of such property except by owners who are members of the filing or assistance unit. This includes *but is not limited to* property which a filing or assistance unit does not own but is owned by or held in:

1. a trust of any kind (whether or not any member of the filing/assistance unit is a trust beneficiary or a trustor),
2. a corporation of any kind (whether or not any member of the filing/assistance unit is a corporate shareholder),
3. a partnership of any kind (whether or not any member of the filing/assistance unit is a partner),
4. a limited liability company of any kind (whether or not any member of the filing/assistance unit is a member of the company), or
5. any other legal entity, instrument, device or arrangement of any kind by which a filing or assistance unit does not own the property.

**LIQUID AND  
NON-LIQUID  
RESOURCES**

Liquid resources are cash and other resources which can be readily converted to cash. Examples of resources that ordinarily are liquid include, but are not limited to stocks, bonds, mutual fund shares, promissory notes, mortgages, life insurance policies, financial institution accounts (savings, checking, time deposits/CDs) and similar items.

Non-liquid resources are resources which cannot reasonably be immediately converted into cash.

A resource which has been determined to be non-liquid for any reason is not considered inaccessible or excluded simply because the value of the asset cannot be accessed in the benefit month.

**► RESOURCE  
OWNERSHIP AND  
EXCLUSIONS**

Property held in trust or owned by a corporation is not the directly-owned property of an individual with an interest in the corporation or trust. In determining eligibility for Medicaid, no exclusions will be applied to property a filing or assistance unit member does not own, nor will any exclusion apply as to use of such property, except by owners who are members of the filing or assistance unit. No resource exclusions can be applied to trust or corporate property, regardless of whether the individual legal or equitable owner of the interest in the corporation or trust is a trust beneficiary or corporate shareholder. See FMA 402-3 for information regarding trust funds.

**NOTE:** When an individual owns an interest in a corporation, he/she owns corporate STOCK. While he/she will not own the property held by the corporation, the stock he/she owns in the corporation will have a value. The stock may be valued based on the assets and liabilities of the corporation.

**OWNERSHIP**

Ownership of a resource is determined by the:

1. Name(s) on the account, title, deed, contract, etc.,
2. Source of the funds in the account,
3. Purpose for which the account/investment was opened, and
4. Activity of the account/investment.

If the title, deed, contract, account, etc., has only one name listed, the resource belongs to that individual. If more than one name is listed, it is considered a jointly-owned resource. Once determined as jointly-owned, the resource's accessibility must be evaluated.

**JOINTLY-  
OWNED  
RESOURCES**

Resources owned jointly with someone outside the household must be evaluated to determine accessibility to the household.

**NOTE:** Always code resources owned jointly with someone outside the home or with a filing unit member whose participation code is "DP" against the "IN" participant. This assures the resources are counted correctly.

Consider 100% of the resource as available to the household, **unless** the:

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1. Household can demonstrate it only has access to a portion of the resources; (count the value of the available portion); or
2. Resource cannot be practically subdivided and the household's access to the resource is dependent on the agreement of a joint owner who refuses to comply.

**For jointly-owned vehicles, see FMA 403-1.**

**ACCESSIBILITY**

Resources other than vehicles are considered accessible when:

1. The applicant/recipient has possession of the resource as the owner or joint-owner, or
2. The individual has a legal interest in the resource and has the legal ability to make the value of the resource available.

**DISPUTED  
ACCESSIBILITY**

If the resource is jointly-owned or the individual rebuts ownership and/or accessibility, an investigation of accessibility must occur. Verification of ownership and/or accessibility is required. The verification shall be bank statements, agreements, deeds, titles, or other collateral statements. The applicant's/recipient's statement alone is not sufficient verification. Document the circumstances and the action taken in system case notes.

**INACCESSIBLE  
RESOURCES**

When legal action has been imposed preventing access to the resource or the joint-owner refuses to dispose of the resource, the resource is considered inaccessible to the applicant/recipient.

**EXAMPLES - Accessible/Inaccessible Resources:**

1. Beth has access to her mother's savings account; both names appear on the account title (jointly-owned). Her mother does not live with her. Beth claims she has never deposited any of her own money in the account nor has she used the monies for her own benefit. Collateral evidence (bank statements, etc.) substantiates her claim.

**ACTION:** Consider the account inaccessible. Enter the account information on the appropriate resource page. Document system case notes. Set an alert to review the account's activity in three (3) months.

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2. Mary owns a house with her estranged husband (jointly-owned resource; both names on the deed). She is not living in the house; he is.

**ACTION:** Determine if legal separation or divorce proceedings have been initiated. If not, the house is a countable resource and its value is accessible to Mary. If legal proceedings have begun, consider the house as an inaccessible resource to Mary. Set an alert to ask for final decree. Re-evaluate accessibility based on the divorce/separation decree.

**NOTE:** If no legal proceedings have begun, a written statement from her spouse can also be used to determine if the resource is inaccessible.

3. Sandy owns land (real property) with her brother. She does not live on the land.

**ACTION:** The value of the land is accessible. Enter information the appropriate resource page. If Sandy's brother provides a written statement that he is unwilling to sell, the land is considered inaccessible to Sandy.

### ► DETERMINING FAIR MARKET VALUE

Fair market value (FMV) of a resource is determined in various ways, depending on the type of resource. For example, bank accounts and cash are based on the amount of money on deposit. CDs and other time deposits are based on the amount of money that can be withdrawn after penalties for early withdrawal (but not after taxes are withheld). Car values are based on NADA (Blue Book) values or statements from knowledgeable sources such as area car dealers.

Real estate is valued based on area realtor/real estate broker statements. Real estate values cannot be based on tax appraisals, which are not necessarily current or based on true sales potential.

Other types of resources are valued based on statements from knowledgeable sources or other means that are reasonable and appropriate to the type of resource being valued.

### EQUITY VALUE

To determine equity value, subtract the amount owed from the fair market value. Only the equity value of an accessible resource is counted toward the resource limitation, and this is the amount entered in the system. The full value is only entered when all liens or debts against the resource have been paid in full.

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Value**TREATMENT  
OF EXCLUDED  
RESOURCES**

Excluded funds kept in a separate account retain the resource exclusion as long as they remain in a separate account.

**COMMINGLING  
OF EXCLUDED &  
NON-EXCLUDED  
FUNDS**

If excluded and non-excluded resources are commingled (mixed) in the same account, the specific sources of the funds must be identified in order to determine if the excluded funds continue to be excluded once commingled. If excluded funds may continue to be excluded, there must be clear records (either of the financial institution or owner) identifying and tracing the different sources. If excluded funds continue to be excluded, consider any withdrawals from the account to be from the non-excluded funds first, and from the excluded funds only after the non-excluded funds have been exhausted.

**FUNDS  
PRORATED  
AS INCOME**

Funds which have been prorated as income retain their resource exclusion for the period of time they have been prorated as income (even if the funds have been commingled). A system alert should be set.

**EXAMPLE:** Farmer sells his crops in August for \$12,000. The proceeds are intended to support his family for a year. Prorate the \$12,000 as income, \$1,000 per month. The \$12,000 (even if commingled) is excluded as a resource for the one year period.

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