Spousal Impoverishment

When a husband or wife qualifies for Medicaid and has long-term care needs that require a high level of care, there are protections to prevent the other spouse from becoming impoverished. Long-term care needs include care in a nursing home, swing-bed facility, the State Hospital, or at home through the Medicaid home and community-based services waiver.

Spousal impoverishment rules allow the spouse living at home (the community spouse) to keep additional income and assets so he or she can continue to live independently. Individuals with long-term care needs can learn more about the income and asset limits on this protection or apply for Medicaid at their Human Service Zone office.

To Qualify

- A spouse must qualify for Medicaid AND have been screened as needing long-term care.
- The care must be expected to be needed for at least 30 days in a row.
- The community spouse cannot be enrolled in Medicaid.

Other Program Provisions

- The community spouse can keep his or her gross monthly income.
- The spouse receiving long-term care can keep $100 of their income per month for personal needs. Income above $100 is given (deemed) to the community spouse if the community spouse has less than $2,550 gross monthly income.
- Any gross monthly income not deemed to the community spouse is applied to long-term care costs.
- The spouse receiving long-term care can keep up to $3,000 in countable assets; the community spouse can to keep up to half of the couple's countable assets owned as of the first day his or her spouse began receiving long-term care services.
- There is a maximum amount of assets the community spouse can keep to qualify for spousal impoverishment. There is also a minimum amount, which may allow the community spouse to keep more than half of the couple's assets. These amounts change annually.
- The spouse receiving long-term care can have private health care coverage and still qualify for Medicaid coverage.

Asset Assessment

- When a spouse begins receiving long-term care services, the couple can request an assessment of their assets.
- The assessment identifies which assets are countable and the amount each spouse can keep.
- An asset assessment may also be requested at the facility where the spouse is receiving care.

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Frequently Asked Questions

Q – How is Spousal Impoverishment different from regular Medicaid coverage?
A – Under regular Medicaid coverage, a couple is limited to $6,000 in countable assets. Under spousal impoverishment, the spouse receiving long-term care may have up to $3,000 in countable assets and the community spouse may keep up to half of the couples' countable assets based on federal limits. Also, under spousal impoverishment, the spouse receiving long-term care may be able to give excess income to the community spouse.

Q – How are the assets determined?
A – All assets owned by a couple are considered. Some of these assets may not be countable. The community spouse is allowed to keep up to half of the countable assets subject to the minimum and maximum allowable amounts, which change annually. The spouse receiving care can keep up to $3,000. The couple can request an asset assessment to identify which assets are countable, and how much each spouse is allowed to keep.

Q – If we have too many assets when the assessment is done, what can we do?
A – Excess assets must be spent to bring the assets down to within program limits. Assets cannot be given away. The share of assets belonging to the spouse receiving long-term care may only be spent for that spouse's needs. IMPORTANT: If you are unsure what is or is not a legitimate spend-down, contact your Human Service Zone office.

Q – Can I stop paying for long-term care costs when I apply for Medicaid?
A – No. You should continue to pay for long-term care expenses while your Medicaid application is pending. It will not delay the effective date of benefits and may even allow benefits to begin sooner.

Q – Is there a penalty if I give some assets to my children?
A – Possibly. Depending on certain circumstances, this may be a "disqualifying transfer" and Medicaid will not pay for long-term care services for you or your spouse for several months or even years, depending upon the value of the assets transferred to your children.

Q – What is the earliest day an individual can be covered?
A – Medicaid can cover an eligible individual's qualifying medical expenses incurred three months prior to the month the individual submitted a Medicaid application.

Q – My spouse is in a basic care facility. Would we qualify under this provision?
A – No. This provision applies ONLY for those that have been screened as needing long-term care services. Basic care facilities are designed to serve people with fewer care needs.

For more information, contact the Customer Support Center. Contact information is online at hhs.nd.gov/human-service/zones.