

TO: Local District Commissioners; Medicaid Directors

FROM: Betty Rice, Director, Division of Consumer and Local District Relations

SUBJECT: Treatment of Property Contiguous to the Homestead

EFFECTIVE DATE: Immediately

CONTACT PERSON: Local District Support Liaison
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The purpose of this message is to provide local departments of social services (LDSS) with clarification on the treatment of property contiguous to the homestead as a countable resource.

A homestead, including an income-producing homestead, is an exempt resource for all Medicaid applicants and recipients, as long as it is the primary residence of the applicant or recipient (A/R) or a family member. If the A/R or family member no longer resides in the home, that home is evaluated to determine if it is a countable resource.

Contiguous property is any land adjoining the homestead, which is held on a separate deed from the homestead and may be liquidated separately. Property is considered to adjoin the homestead if the only intervening real property is an easement or public right of way, such as a street, road or utility.

Land adjoining the homestead which is not on a separate deed is not contiguous property, but is considered part of the homestead. Social services districts must not require A/Rs to subdivide their homestead property in order to treat the equity value of the resulting contiguous property as a countable resource.

The equity value of contiguous property owned by an A/R is countable when determining eligibility for Family Health Plus and for all Medicaid categories except SSI-related.