RESOURCES
TRANSFER OF ASSETS

ALL CATEGORIES EXCEPT S/CC

- An A/R and/or the A/R's spouse may transfer the homestead, without penalty, to his/her:

    - Spouse;
    - Child under the age of 21;
    - Certified blind/disabled child of any age;

  Sibling who has an equity interest in the A/R's home and has resided in the home for at least one (1) year immediately prior to the A/R's most recent institutionalization; or

  Adult child who resided in the A/R's home for at least 2 years, immediately prior to the A/R's most recent institutionalization and who provided care to the A/R which permitted the A/R to reside at home rather than in a medical facility. It is presumed that the child "provided care" unless there is evidence to the contrary.

The transfer of a homestead to any other person for less than fair market value may render the A/R ineligible for Medicaid coverage of nursing facility services.

Transfer of assets penalties are not imposed against an A/R when an asset other than the individual's home is transferred:

- to the individual's spouse, or to another for the sole benefit of the individual's spouse;
- from the individual's spouse to another for the sole benefit of the individual's spouse;
- to the individual's child who is certified blind or certified disabled; or

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- to a trust established solely for the benefit of an individual under 65 years of age who is certified disabled.

Sole Benefit – A transfer is considered to be for the "sole benefit of the individual's spouse" if the transfer is arranged in such a way that no individual or entity other than the spouse can benefit from the assets transferred in any way, whether at the time of the transfer or any time in the future. A remainder man is someone who will inherit property in the future (e.g., after a person's death). A transfer is not for the sole benefit of the spouse if the transferred asset has a remainder person. For example, if an institutionalized spouse takes money that is in his/her name, purchases an annuity so that only the community spouse receives payments, and there is a designation of a remainder man (beneficiary other than the community spouse's estate), this would be evaluated as an uncompensated transfer.

A transfer penalty is not imposed against an A/R when a satisfactory showing is made that:

- the A/R or the A/R's spouse intended to dispose of the asset for its fair market value or exchange it for other consideration of similar value;
- the asset was transferred exclusively for a purpose other than to qualify for nursing facility services; or
- all of the assets transferred for less than the fair market value have been returned to the individual.

Assets Transferred to Purchase Life Estate Interest

If an A/R or the A/R's spouse transfers assets to purchase a life estate interest in property owned by another individual on or after February 8, 2006, the purchase is to be treated as a transfer of assets for less than fair market value, unless the purchaser resides in the home for at least a continuous period of one year after the date of purchase.

The amount used to purchase the life estate interest is to be treated as the uncompensated transfer of assets amount in