

477-000-036 – Liquid/Non-Liquid Resources for Non-MAGI

Liquid Resources: Cash or other property that can be converted to cash within 20 days.

Examples of Liquid Resources:

1. Cash on hand;
2. Cash in savings or checking accounts;
3. Certificates of deposit;
4. Stocks;
5. Bonds;
6. Investments;
7. Mutual fund shares;
8. Collectable unpaid notes or loans;
9. Promissory notes;
10. Mortgages;
11. Land contracts;
12. Land leases;
13. Revocable burial funds;
14. Trust, guardianship or annuity funds;
15. Cash value of insurance policies;
16. Other similar properties; and
17. Medical savings accounts.

Excluded Liquid Resources:

Reverse Mortgage Monthly Income for ABD

Use the following method to determine counting or excluding monthly income from a reverse mortgage:

Do not count the reverse mortgage as monthly income to the Medicaid client if the monthly income for the reverse mortgage is NOT funded through an annuity.

Count reverse mortgage monthly income as unearned income to the Medicaid client if the monthly reverse mortgage income IS funded through an annuity. Annuity rules and not reverse mortgage rules apply in this instance. This does not need Central Office review.

Always count reverse mortgage monthly income paid to a community spouse because they are not a Medicaid client and the Medicaid exclusions of counting income do not apply to the community spouse.

Medicare Set-Aside Arrangement (MSA)

Medicare takes the position of a secondary payer in cases where there is another culpable party, such as an employer and/or its Workers' Compensation Insurance carrier.

The purpose of the Medicare Set-Aside Arrangement (MSA) is to provide funds to an injured worker to pay for future medical expenses that would otherwise be covered by Medicare, otherwise known as “qualified medical expenses”. If the injured worker incurs qualified medical expenses that exhaust the anticipated annual amount, Medicare will pay for any excess expenses. By establishing a Medicare Set-Aside Account, parties to a settlement are protecting Medicare’s interest and complying with the Medicare Secondary Payer Act.

Non-Liquid Resources: Property that is not cash and that cannot be converted to cash within 20 days.

Examples of Non-Liquid Resources:

1. A home;
2. Additional pieces of property;
3. Trailer houses;
4. Burial spaces;
5. Motor vehicles;
6. Life estates;
7. Farm and business equipment;
8. Livestock;
9. Poultry and crops; and
10. Household goods and other personal effects.