COMBINED MEDICAID 401-1
Resource Ownership, Accessibility and Equity Value

Supersedes: FMA 401-1 (07/01/08); MA 401-1 (07/01/08)

Reference: ARM 37.82.101; 42 CFR 435.601

Overview: Resources are 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. Exclusions listed in this section do not apply to property the filing and/or assistance unit does not own. This includes, but is not limited to property owned by or held in:

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

LIQUID AND NON-LIQUID RESOURCES:

Liquid resources are cash and other resources that can easily be converted to cash. Examples include, but are not 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 that cannot reasonably be immediately converted into cash. Non-liquid resources are not considered inaccessible or excluded simply because the value cannot be accessed in the benefit month.

RESOURCE ACCESSIBILITY & AVAILABILITY:

Resources are considered accessible either when actually available to the individual or when the individual has a legal or equitable interest in the property or asset and has the legal or equitable ability to access funds or to convert non-cash property into cash, regardless of whether the individual has the practical ability to access the funds or to convert non-cash property into cash.

Consider jointly owned resources accessible according to the information above unless the individual rebuts ownership or accessibility and can verify to the satisfaction of the following policies that the joint ownership does block accessibility of the resource.

RESOURCE OWNERSHIP & EXCLUSIONS:

Property held in trust or owned by a corporation is not owned by individuals who have an interest in the corporation or trust; no exclusions are applied to property the filing or assistance unit members do not own. Resource exclusions do not apply to trust or corporate property. **NOTE:** Individuals who own an interest in a corporation own STOCK, they do not own property held by the corporation. The stock has countable value based on the corporation's assets and liabilities.

OWNERSHIP:

Resource ownership is determined by the:

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

If only one name is listed on the title, deed, contract, account, etc., the resource belongs to that individual. If more than one name is listed, the resource is considered jointly-owned. Once joint-ownership is determined, 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. Consider the resource 100% available to the household, **unless** the:

1. Household verifies they have access to only a portion of the resource; (count the available portion's value); or
   a. The percent of jointly-owned real estate the client owns is considered the accessible portion;
   b. Jointly owned bank accounts or other liquid resources are considered 100% available unless otherwise restricted.
2. Resource cannot be practically subdivided and the household's access is dependent on the joint owner's agreement, and the joint-owner refuses to sell. **This provision does not apply to real property.**

REBUTTING OWNERSHIP OR ACCESSIBILITY:

Resource ownership and/or accessibility must be rebutted in writing, and, as appropriate, all co-owners must sign the rebuttal. The rebuttal must include explanation and verification of:

1. How, and/or why co-ownership was established;

2. The names of individuals whose funds were used to establish the account or purchase the asset, and the amounts each invested;
3. The names of individuals who have made withdrawals or have used the resource; and
4. For what the resource has been used or how the funds were spent.

Acceptable verification includes bank statements, agreements, deeds, titles, or other collateral statements. The applicant's/recipient's statement alone is not sufficient verification. **If 100% ownership/accessibility is successfully rebutted, action must immediately be taken by the applicant/recipient to separate commingled funds, remove the applicant/recipient's name from the account/resource, or restrict his/her access to the account; whichever may be applicable to the situation.**

INACCESSIBLE RESOURCES:

Do not consider a resource inaccessible simply because it is non-liquid or the client does not have practical access to the resource. A resource may be considered inaccessible if:

1. The resource's value cannot be accessed for a reason beyond the owner's control, and they have exhausted all legal avenues to access the resource's value; or **NOTE:** Undue hardship may exist is the cost of accessing the resource exceeds the resource's value.
2. A joint owner refuses to allow the individual to possess the resource (such as a savings bond); or
3. A joint owner lives on the property AND selling the client's share would make the joint owner homeless; or
4. The client continually lists the resource for sale at no more than FMV for six or more months, **AND**
   Continuously listed for sale means:
   a. A local broker has the property listing; OR
   b. All the following are met:
      i. The property is continuously advertised in appropriate local media, AND
      ii. A 'For Sale' sign in posted on the property in clear view, AND
      iii. Open houses/showings are conducted on a continual basis, AND
      iv. All other appropriate attempts to sell are continually made.

No reasonable offers (2/3 or more of current market value) are received. If an offer of 2/3 current market value or higher is received, a new property value is established for Medicaid purposes. **NOTE:** Before a resource is deemed inaccessible, conditional must be applied to the resource, as appropriate

DETERMINING FAIR MARKET VALUE:

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

Real estate value is based on area realtor/real estate broker statements. Tax appraisals cannot be used to value real estate as the value isn't necessarily current or based on true sales potential.

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

EQUITY VALUE:

To determine equity value, subtract all legal encumbrances from the FMV. Only debts (amounts owed) that are secured by liens or other legal encumbrances against the resource can be subtracted from the FMV when determining equity.

COMMINGLING EXCLUDED AND COUNTABLE RESOURCES:

If excluded and countable resources are commingled (mixed) in the same account, the specific fund sources must be identified to determine if the excluded funds remain excluded once commingled. There must be clear records (financial institution or owner) identifying and tracing each source for the excluded funds to remain excluded. Withdrawals from a commingled account are considered to be from non-excluded funds first, and then from excluded funds after all non-excluded funds are exhausted.

FUNDS PRORATED AS INCOME:

Funds that are prorated as income remain excluded from resources for the period they are prorated as income (even if funds are commingled).

Effective Date: July 01, 2016