

CHANGE NOTICE FOR MANUAL, NO. 04 –02, Real Property Contiguous to the Homesite

DATE: 06/20/01

Manual: Aged Blind and Disabled Medicaid

Change No. 04-02

To: County Directors of Social Services

Effective: July 1, 2001

I. CONTENT OF THE CHANGE

Policy regarding the exclusion of real property contiguous to the homesite was revised effective October 1, 2000 to require that the a/r or financially responsible person have an ownership interest in the homesite for contiguous property to be excluded. (Refer to ABD Manual Change Notice 06-01.) This revision in policy overlooked the court decision in the case of Correll v. DHHS which held that the state law which authorizes the exclusion of up to \$12,000 in property contiguous to the homesite does not require ownership interest in the homesite.

MA-2230 is clarified to point out that even if the a/r or financially responsible person does not have an ownership interest in the principal place of residence, up to \$12,000 in tax value of real property contiguous to the principal place of residence is excluded as a countable resource. The definition of contiguous property has been added to the manual.

MA-2230 is further clarified to state that the homesite is excluded from reserve if it is the principal place of residence for the a/r's legal spouse, dependent minor child (ren), or disabled child (ren) of any age.

Policy regarding the evaluation of remainder interest owned by non-financially responsible persons is also clarified.

II. EFFECTIVE DATE

The Medicaid policy manual is updated effective July 1, 2001. However, the ruling in Correll has never gone out of effect. Apply this policy to any application, review, or response to a change in situation for any months in which eligibility is being determined. Additionally, if there are any appeals in process where this policy will result in a favorable decision for the a/r, apply this policy immediately to all months for which eligibility is in dispute.

III. MAINTENANCE OF MANUAL

- A. Remove MA-2230, pages 25-34**
- B. Insert revised MA-2230, pages 25-34, Effective July 1, 2001**
- C. Remove MA- 2230, Figure 9**
- D. Insert revised MA-2230 Figure 9, Effective July 1, 2001**

Please refer questions to your Medicaid Program Representative.

Paul R. Perruzzi
Director

[This policy material was researched and written by Vanessa Broadhurst, Policy Consultant, Medicaid Eligibility Unit.]