

TO: Local District Commissioners, Medicaid Directors

FROM: Judith Arnold, Director
Division of Coverage and Enrollment

SUBJECT: Increase in the Substantial Home Equity Limit for 2011

EFFECTIVE DATE: January 1, 2011

CONTACT PERSON: Local District Support
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The purpose of this GIS message is to advise local department of social services of an increase in the substantial home equity limit.

Districts were advised in 06 OMM/ADM-5, "Deficit Reduction Act of 2005 - Long-Term Care Medicaid Eligibility", that individuals applying for Medicaid coverage of nursing facility services or community-based long-term care on or after January 1, 2006, are ineligible for coverage of such services if the equity interest in the individual's home exceeds \$750,000. The equity value is derived by subtracting any legal encumbrances (liens, mortgages, etc.) from the fair market value of the home.

Pursuant to federal law, Section 366 of Social Services Law further provides that the \$750,000 home equity limit shall be increased beginning with the year 2011. The home equity limit may increase from year to year in an amount to be determined by the Secretary of the federal Department of Health and Human Services, based on the percentage increase in the consumer price index for all urban consumers (CPI-U), rounded to the nearest one thousand dollars.

The Centers for Medicare and Medicaid Services (CMS) has advised that the CPI-U increased between September 2009 and September 2010 by 1.1 percent. Because 2011 is the first year the excess home equity limit is indexed to the CPI-U, the limit will increase by 1.1 percent in 2011, rounded to the nearest \$1,000.

Effective January 1, 2011, the substantial home equity limit increases from \$750,000 to \$758,000. (See 06 OMM/ADM-5 for exceptions to this home equity limitation).