

Western Mass Estate Planning

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Initial Eligibility and Surviving the MassHealth Application Process

To Establish Eligibility:

- A single person's assets must be reduced to \$2,000 in order to qualify for MassHealth. Assets cannot be gifted in nursing home (long-term) cases, but there are permissible expenditures. At-home (community) applicants may gift assets without penalty.
- A married applicant's assets must also be reduced to \$2,000, while the non-applicant spouse's assets must be reduced to \$148,620 (2023), but the couple has 90 days from *approval* of benefits to move the assets out of the applicant spouse's name. Again, assets cannot be gifted in nursing home cases and there are permissible methods for reducing excess assets. At-home applicants may gift assets without penalty.
- Effective the month of eligibility, a nursing home applicant is required to contribute his or her income to the nursing home (called the Patient Paid Amount – PPA). If there is a spouse at home, the spouse may be entitled to keep some of the nursing home spouse's income. The PPA typically involves calculating the applicant's gross income (before all deductions), minus a \$72.80 Personal Needs Allowance and any health insurance premiums. The result must be paid each month to the nursing home. MassHealth covers the balance of the monthly bill, at a reduced rate. Any withholdings from a pension for state and/or federal income taxes will need to be terminated as of the month benefits will begin, as MassHealth ignores deductions (other than for health insurance) when calculating the applicant's PPA. If an unmarried nursing home applicant screens short-term (it is believed that he or she may be able to return home within 6 months), the individual is entitled to retain \$1,295/month (2023) of his or her income as a home maintenance allowance. This is not permitted for long-term screenings (>6 months).
- In-home MassHealth applicants will not have to contribute to their care if their gross income is less than \$2,742/month (2023). If their gross income exceeds \$2,742/month, they will have to satisfy a deductible every 6 months.

The MassHealth Application Process – Expect Misery:

- The MassHealth application process is typically exhausting and frustrating. It may be among the most miserable experiences of your life, at an already-stressful time.
- At least half of our cases involve having to submit one or more documents multiple times, because the assigned worker is unable to locate the copies submitted with the application.

- In addition, approximately 70% of the notices we receive contain some error, usually a denial for invalid grounds, which we will timely appeal. Eventually, it works out, but it can be grueling process.
- Be assured that, **when our office requests documents you do not believe are relevant or will be difficult to locate, it is because we believe they will expedite approval or because MassHealth is requiring them** in order to approve benefits.
- The application for nursing home benefits requires significantly more financial documentation than for in-home benefits (typically, five years of financial records, rather than just current records), and retroactive benefits are the norm (back to the date the individual's assets were reduced to the permitted amount).
- Although the MassHealth application calls for including five (5) years of financial records, MassHealth workers have told our office that they really only have time to review the most recent twelve (12) months' worth. If we are involved in preparing and filing a MassHealth application, we still require clients to provide five (5) years of financial records, so that we can review them and know that we are accurately completing the application (there is a section asking whether any assets have been transferred in the last 60 months).
- Our website has a fill-in, savable version of the current MassHealth application, as well as directions for completing the form and a list of documents needed to support an application for either in-home, assisted-living or nursing home benefits.
- The application should not be mailed to MassHealth until:
 - 1) All documents have been located and copied;
 - 2) Assets have been reduced; and
 - 3) If you wish, our office has reviewed both the application and the supporting documents, to ensure that you are sending the correct documents
- Do not let anyone (at your local home care agency or the nursing home) push you into filing an application too soon – it is a waste of everyone's time, since the MassHealth worker has to put in more energy figuring out what is missing and benefits will not be approved until all documents are received. We find that the workers are much happier to receive the complete package all at once and then we usually get a prompt approval.
- Be sure to keep a copy of the complete application and all supporting documentation, so they will be easily-available in the event you need to produce them again (see above!).
- Send the application and all follow-up mailings by certified mail, return receipt. This will not ensure delivery to MassHealth or even to the assigned worker, but will give you proof that someone received it on behalf of MassHealth.
- Approximately two to three weeks after applying, the assigned worker will issue a Request for Information, listing any additional documents and information needed to process the case. Remember that it is very likely you will be asked to provide something you already did!
- You will have thirty (30) days to submit the second round of documents.
- Applications for nursing home benefits will be assigned to a specific worker, whose name and direct telephone number will be reflected on the Information Request. You will be able to contact the worker directly if you have questions.
- Correspondence related to applications for in-home and assisted-living coverage do not reflect the name of particular MassHealth caseworker, which requires you to call a main

number and hope you reach someone who can help you. It can take an hour to work through the maze of telephone extensions and workers, before reaching someone who is able to provide helpful information (by looking at documents that have been scanned into the MassHealth computer system, not by locating a physical file).

- MassHealth offices and the workers themselves are not consistent in how they handle applications and treat particular circumstances. It can be difficult to predict the outcome of both standard and unusual circumstances. We often say that “the most predictable thing about MassHealth is that it is *unpredictable*.”
- If your application is denied, know that there is an **appeal process** – you must fax the request to the hearings division within 30 days of the date of the denial. This is often necessary in cases where the worker has assured you that benefits will be approved, but you have not yet seen it in writing. Filing an appeal ensures that the requested start date is approved. Hearings may be held by telephone and, usually, are resolved in advance. If the applicant dies prior to filing an appeal, MassHealth requires that a Personal Representative (formerly known as an Executor) be appointed by the Court. This is extremely challenging, as it often takes longer to get the Court appointment than the 30-day appeal timeline.
- Cases involving placing excess assets in a **pooled trust** are typically denied and will need to be appealed. This is because only disabled individuals are permitted to fund pooled trusts, so the MassHealth Disability Unit (in Worcester) has to determine whether the applicant is disabled (not to worry – anyone who needs nursing home care or care at home will be found to be disabled!). This extra step is typically not complete by the time the MassHealth worker has all of the other documentation to approve the case, so the application is denied (for excess assets), but will be approved as soon as the Disability Unit issues its determination.
- Eventually, you should receive an approval!