

**TO:** Local District Commissioners, Medicaid Directors

**FROM:** Linda LeClair, Director  
Bureau of Medicaid Eligibility Operations and Family Health Plus

**SUBJECT:** Treatment of Substantial Home Equity for New York State Partnership for Long-Term Care Policyholders

**EFFECTIVE DATE:** Immediately

**CONTACT PERSON:** Local District Support Unit  
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The purpose of this GIS message is to inform local districts of the treatment of substantial home equity when determining Medicaid Extended Coverage for New York State Partnership for Long-Term Care policyholders.

Administrative Directive 06 OMM/ADM-5 specifies the home equity limit for Medicaid coverage of nursing facility services or community-based long-term care services. If an individual's equity interest in his or her home exceeds \$750,000, the individual is not eligible for nursing facility services or community-based long-term care services, barring certain exceptions.

States can waive application of this home equity limit in cases where the State finds that applying the provision would create an undue hardship. Using this authority, the Department is expanding the undue hardship provision outlined in 06 OMM/ADM-05 to include Partnership participants who might not qualify for Medicaid due to excessive equity value in their home. The hardship is based on the purchase and use of Partnership long-term care insurance as a means of establishing asset protection. The provision of undue hardship is revised to read as follows:

Undue hardship exists if the denial of Medicaid coverage would:

- deprive the A/R of medical care such that the individual's health or life would be endangered; or
- deprive the A/R of food, clothing, shelter, or other necessities of life;

and there is a legal impediment that prevents the A/R from being able to access his or her equity interest in the property.

Undue hardship also exists if the individual is a New York State Partnership for Long-Term Care policyholder who is eligible for Medicaid Extended Coverage per the terms of the Consumer Participation Agreement with New York State.

Effective immediately, when a Partnership policyholder, with either Total Asset Protection or Dollar for Dollar Asset Protection, applies for Medicaid Extended Coverage for nursing facility services or community-based long-term care services, the local district should not apply the \$750,000 home equity limit. Consideration of the home as a countable resource or exempt homestead continues to apply for Dollar for Dollar Asset Protection policyholders.