

Do You Need To Spenddown a Stimulus Check?

□As you likely remember, recent COVID-19 relief bills, included direct payments to most Americans to help offset the huge financial crisis. Among those recipients were those who are elderly and on fixed income. Medicaid (MassHealth in Massachusetts) has very strict asset and income rules in order to receive benefits. Individuals receiving such benefits may ask whether the stimulus payments will affect their continued eligibility as they are concerned the money will put them over the Medicaid income or asset limit, and therefore, disqualify them from Medicaid benefits.

Stimulus checks do not count as income, and therefore do not impact Medicaid beneficiaries or applicants. However, should the stimulus money not be spent within 12 months, it will be counted as an asset, and therefore could impact eligibility in the year ahead.

Nursing Home Residents

The receipt of stimulus checks by MassHealth beneficiaries who reside in nursing homes do not impact these individuals' benefits. In other words, stimulus checks do not disqualify them from MassHealth. This is because MassHealth does not count the stimulus money as income, which means it cannot push you over MassHealth's income limit, and cause the loss of MassHealth benefits. Also, stimulus checks do not count as assets, provided that the money is spent within 12-months of receiving it. Therefore, a nursing home MassHealth recipient can hold onto the stimulus money and it will not impact that beneficiary's MassHealth eligibility. However, it is essential that the stimulus money be completely spent within one year of receipt. If it is not spent down, the remaining amount will count towards MassHealth's asset limit and could potentially

push the beneficiary over the resource limit, resulting in MassHealth disqualification.

You should seek advice from a qualified elder law attorney to learn about your spenddown options to avoid a penalty.

Spouses of Nursing Home Residents

Non-applicant spouses of MassHealth-funded nursing home residents (called Community Spouses) can receive stimulus checks without impacting their spouses' MassHealth eligibility in any manner. First, the money from stimulus checks is not considered income by MassHealth, and even if it were, the income of a non-applicant spouse is not considered in the continuing MassHealth eligibility of the institutionalized spouse.

For MassHealth beneficiaries, the entire check needs to be spent within 12-months of receiving it or the remaining funds will count as assets towards MassHealth's eligibility. However, the same rule does not hold true for community spouses. There is no time limit in which a community spouse must spend his/her stimulus checks. The funds from a non-applicant spouse's stimulus check will never count as resource towards the institutionalized spouse's eligibility.

Community-based MassHealth Recipients

Home and Community Based Services (HCBS) Medicaid Waiver recipients can receive stimulus checks and it will not impact their MassHealth eligibility if spent within 12-months of receipt. This is because the money from the checks is never considered as income, but it will be counted towards MassHealth's resource limit if not spent within the specified 12-month period.

Are you or a loved one receiving MassHealth benefits? Please share this information with any one who may also be interested.