



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
600 Washington Street
Boston, MA 02111
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MassHealth
Eligibility Letter 139
December 16, 2005

TO: MassHealth Staff

FROM: Beth Waldman, Medicaid Director *BW*

RE: Revisions to the Countable Asset Regulations about Vehicles

MassHealth is revising the countable asset regulations about vehicles. The revisions are being made because of a change in federal regulations at 20 CFR 416.1218(b)(1).

The revisions remove the separate requirements for an unmarried institutionalized individual. In addition, one vehicle is noncountable if it is for the use of the eligible individual or couple or a member of the eligible individual's or couple's household.

These regulations are being issued as emergency regulations and were effective April 1, 2005.

MANUAL UPKEEP

Insert

520.007 (3 of 7)

Remove

520.007 (3 of 7)

Trans. By

E.L. 63

Trans. by E.L. 139

**MASSHEALTH
FINANCIAL ELIGIBILITY**

Rev. 04/01/05

**Chapter 520
Page 520.007**

(d) when the terms of the annuity provide for unequal payments, the MassHealth agency may treat the annuity as a disqualifying transfer of assets. Commercial annuity payments that vary solely as a result of a variable rate of interest are not considered unequal payments under 130 CMR 520.007(C)(4)(d).

(D) Securities. Securities include, but are not limited to, stocks, bonds, options, futures contracts, debentures, mutual funds including money-market mutual funds, promissory notes, and other financial instruments. Tradable securities are valued at the most recent closing-bid price, and nontradable securities are valued at current equity value. A security for which there is no market value or that is inaccessible in accordance with 130 CMR 520.006 is noncountable.

(E) Cash-Surrender Value of Life-Insurance Policies.

(1) The cash-surrender value of a life-insurance policy is the amount of money, if any, that the issuing company has agreed to pay the owner of the policy upon its cancellation. An individual may adjust the cash-surrender value of life insurance to meet the asset limit. The MassHealth agency will consider the cash-surrender-value amount an inaccessible asset during the adjustment period.

(2) If the total face value of all countable life-insurance policies owned by the applicant, member, or spouse exceeds \$1,500, the total cash-surrender value of all policies held by that individual is countable. The MassHealth agency does not count the face value of burial insurance and the face value of life-insurance policies not having cash-surrender value (for instance, term insurance) in determining the total face value of life-insurance policies. Burial insurance is insurance whose terms specifically provide that the proceeds can be used only to pay the burial expenses, funeral expenses, or both of the insured.

(F) Vehicles as Countable Assets.

(1) Requirements. In determining the assets of an individual (and the spouse, if any), the countability of a vehicle is determined as follows.

(a) One vehicle per household is noncountable regardless of its value if it is for the use of the eligible individual or couple or a member of the eligible individual's or couple's household.

(b) The equity value of all other vehicles is a countable asset.