



Eligibility Operations Memo 25-17

DATE: December 2025

TO: MassHealth Eligibility Operations Staff

FROM: Heather Rossi, Deputy Chief Operating Officer, Eligibility Policy and Implementation

RE: Counting Spousal Assets Toward Eligibility for Program of All-inclusive Care for the Elderly (PACE)

Summary

Effective January 15, 2026, MassHealth is updating the treatment of jointly owned and individually owned assets for new members of the Program of All-inclusive Care for the Elderly (PACE). Federal law requires MassHealth to consider the income and assets of spouses when determining eligibility of individuals applying for PACE. See Section 1902(a)(10)(A)(ii)(VI) of the Social Security Act and 42 CFR 435.217 and MassHealth regulation [130 CMR 520.005: Ownership of Assets](#). MassHealth anticipates updating its regulations at [130 CMR 519.007](#) to reflect this requirement in an upcoming amendment, but will be implementing this change on January 15, 2026, to ensure compliance with federal law.

These updates apply to anyone newly applying for PACE with a spouse living in the community. The updates do not apply to single applicants of PACE, who will continue to be subject to the current individual asset limit.

Asset Limits for New PACE Applicants

New married PACE applicants will be subject to the current asset limit per married couple. This amount changes yearly and is listed under MassHealth's [program financial guidelines for certain MassHealth applicants and members](#).

Asset Spend Down

Once all household assets have been verified, if the total countable assets exceed the asset limit for married couples, applicants are permitted to spend down the assets in accordance with MassHealth regulations at [130 CMR 520.004: Asset Reduction](#).

Specifically, if the applicant is over the individual asset limit, but the total household assets are below the asset limit for married couples, then pursuant to [130 CMR 520.016\(B\)\(3\)](#), the couple will have 90 days (from the date of the approval notice) to transfer excess assets to, or for the sole benefit of, the spouse who does not live in a long-term-care facility.

If the member does not complete and verify the transfer of assets to the spouse (the spousal asset shift) within 90 days, their eligibility may be terminated because of the excess assets.

Right to Appeal the Asset Allowance

If found to be over the asset limit, or unable to complete the spousal asset shift, new applicants will have the right to a fair hearing under [130 CMR 610.000](#): *Fair Hearing Rules*.

Resources

- [MassHealth regulations](#)
- [PACE federal regulations](#)
- [PACE information](#)
- [Program financial guidelines for certain MassHealth applicants and members](#)
- [Acceptable proofs](#)

Questions?

Have your MassHealth Enrollment Center designee contact the Policy Hotline.

 [MassHealth on Facebook](#)  [MassHealth on LinkedIn](#)  [MassHealth on X](#)  [MassHealth on YouTube](#)