Spousal Impoverishment

Citation:


The expense of nursing home care — which ranges from $5,000 to $8,000 a month or more — can rapidly deplete the lifetime savings of elderly couples. In 1988, Congress enacted provisions to prevent what has come to be called "spousal impoverishment," leaving the spouse who is still living at home in the community with little or no income or resources. These provisions help ensure that this situation will not occur and that community spouses are able to live out their lives with independence and dignity.

Under the Medicaid spousal impoverishment provisions, a certain amount of the couple's combined resources is protected for the spouse living in the community. Depending on how much of his or her own income the community spouse actually has, a certain amount of income belonging to the spouse in the institution can also be set aside for the community spouse's use.

Following is the minimum and maximum amount of resources and income that can be protected for a spouse in the community in 2014:

- 2014 Updated Spousal Impoverishment Standard [PDF]

Post-Eligibility Treatment of Income

The post eligibility calculation is made to determine how much an individual in an institution (usually a nursing home) is able to contribute to cost of his/her own care. It applies only to individuals who are institutionalized (most commonly to those in nursing facilities) and to certain individuals receiving home and community-based waiver services. The process only applies to those with income and only after their Medicaid eligibility has been established.

The contribution is determined by first calculating the individual's total income and then deducting certain amounts from that income. Specifically, the individual's contribution is his or her total income less the following deductions (often referred to as "protected amounts"):

- A personal needs allowance of at least $30;
- If there is a community spouse and the spousal impoverishment rules discussed above apply, a community spouse's monthly income allowance (at least $1,939 but not exceeding $2,931 for 2014), as long as the income is actually made available to the community spouse;
- A family monthly income allowance, if there are other family members living in the household;
- An amount for medical expenses incurred by the spouse who is in the medical facility.

Once the above items are deducted from the institutionalized individual's income, any remaining income is contributed toward the cost of his or her care in the institution.