

Explanatory Paragraph: This is an amendment to 8.281.500 NMAC, Sections 11 and 13, that will be effective on January 1, 2006. The Medical Assistance Division amended the sections to explain how an individual's income and resources are determined in order to achieve two program implications.

**8.281.500.11 APPLICABLE RESOURCE STANDARDS:** An applicant/recipient is eligible for institutional care medicaid on the factor of resources if countable resources do not exceed two thousand dollars (\$2,000).

A. **Liquid resources:** The face value of liquid resources such as cash, savings or checking accounts is considered in determining medicaid eligibility. The countable value of resources such as securities, bonds, real estate contracts and promissory notes is based on their current fair market value.

(1) An applicant/recipient must provide verification of the value of all liquid resources. The resource value of a bank account is customarily verified by a statement from the bank showing the account balance as of the first moment of the first day of the month in question. If an applicant/recipient cannot provide this verification, the income support specialist (ISS) sends a bank or postal savings clearance to the appropriate institution(s).

(2) If the applicant/recipient can demonstrate that a check was written and delivered to a payee but not cashed by the payee prior to the first moment of the first day of the month, the amount of that check is subtracted from the applicant/recipient's checking account balance to arrive at the amount to be considered a countable resource.

B. **Nonliquid resources:** The value of nonliquid resources is computed at current fair market value. See below for discussion of equity value.

(1) **Real property:**

(a) If an applicant/recipient is the sole owner of real property other than a home and has the right to dispose of it, the entire equity value is included as a countable resource.

(b) If an applicant/recipient owns property with one or more individuals, the applicant/recipient's prorated share of the equity value is counted only if the share can be liquidated without the approval of the property's co-owners. The applicant/recipient must provide a copy of the legal document which indicates his/her interest in the property and liquidity of the shares.

(2) **Vehicles:** ~~The value of a vehicle is considered a countable nonliquid resource if the current market value exceeds \$4,500 and the vehicle is not excludable. If the applicant/recipient has more than one vehicle, he/she may designate the vehicle to which the \$4,500 exclusion is applied.~~

~~(a) "Current market value" is defined as the average price that a vehicle of that particular year, make, model, and condition sells for on the open market to a private individual in the particular geographic area involved. A dealer's estimate of the current market value of a vehicle may be obtained when the value is not available from the NADA Blue Book.~~

~~(b) The \$4,500 exclusion applies to only one vehicle. Equity value is not a consideration for purposes of this exclusion.~~

~~(c) Any vehicle owned by an applicant/recipient in addition to the one wholly or partly excluded is a countable resource in the amount of its equity value]. One automobile is totally excluded regardless of value if it is used for transportation for the individual or a member of the individual's household. Any other automobiles are considered to be nonliquid resources.~~ Recreational vehicles and boats are considered household goods and personal effects rather than vehicles.

(3) **Household goods and personal effects:** Household goods and personal effects are considered countable resources if ~~their cumulative market value as reported by the applicant/recipient exceeds \$2,000. The value in excess of \$2,000 is a countable resource.~~

~~(a) If the applicant/recipient indicates that he/she has an item of unusual value worth more than \$500, the ISS must obtain the applicant/recipient's estimate of the total cumulative value of all household goods and personal effects. If this amount exceeds \$2,000, the excess amount is included as a countable resource.~~

~~(b) Household goods include:~~

~~(i) furniture, major appliances, television sets, recreational vehicles, and boats; and~~

~~(ii) personal effects, such as jewelry, furs, musical instruments, art works, hobby, and recreational items.~~

~~(c) Wedding and engagement rings are excluded as countable resources.] the items were acquired or are held for their value or are held as an investment. Such items can include but are not limited to: gems, jewelry that is not worn or held for family significance, or collectibles.~~

[2-1-95, 7-31-97; 8.281.500.11 NMAC - Rn, 8 NMAC 4.ICM.511, 3-1-01; A, 1-1-06]

**8.281.500.13 RESOURCE EXCLUSIONS:** Some types of resources can be excluded from the calculation of countable resources if they meet the specific criteria listed below.

G. **Vehicle exclusion:** The term "vehicle" includes any mode of transportation such as a passenger car, truck or special vehicle. Included in this definition are vehicles which are unregistered, inoperable, or in need of repair. Vehicles used solely for purposes other than transportation, such as disassembly to resell parts, racing or as an antique, are not included in this definition. Recreational vehicles and boats are classified as personal effects and are evaluated under the household goods and personal effects exclusion.

~~[(1) One vehicle is excluded regardless of value if it meets one of the following conditions:~~

~~(a) the vehicle is required for transportation to obtain treatment of specific, persistent, or recurring medical problems;~~

~~(b) the vehicle is equipped with special devices for an individual with a disability;~~

~~(c) the vehicle is necessary for employment;~~

~~(2) Any vehicle not excluded under this section is considered a countable resource. See 8.281.500.11.B.(2) NMAC.]~~ One vehicle is totally excluded if regardless of value if it is used for transportation for the individual or a member of the individual's household. Any other automobiles are considered to be nonliquid resources. Equity in the other automobiles is counted as a resource.

N. **Household goods and personal effects exclusion:** Household goods and personal effects are excluded if they meet one of the following four criteria. They are:

(1) items of personal property, found in or near the home, which are used on a regular basis; items may include but are not limited to: furniture, appliances, recreational vehicles (i.e. boats and RVs), electronic equipment (i.e. computers and television sets), and carpeting;

(2) items needed by the householder for maintenance, use and occupancy of the premises as a home; items may include but are not limited to: cooking and eating utensils, dishes, appliances, tools, and furniture;

(3) items of personal property ordinarily worn or carried by the individual; items may include but are not limited to: clothing, shoes, bags, luggage, personal jewelry including wedding and engagement rings, and personal care items;

(4) items otherwise having an intimate relation to the individual; items may include but are not limited to: prosthetic devices, educational or recreational items such as books or musical instruments, items of cultural or religious significance to an individual; or items required because of an individual's impairment.

[2-1-95; 7-31-97; 8.281.500.13 NMAC - Rn, 8 NMAC 4.ICM.513, 3-1-01; A, 5-1-01; A, 1-1-06]