

**County of San Diego, Health and Human Services Agency (HHSA)
Medi-Cal Program Guide**

Conversions and Transfers

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Revision Date:

5/1/2019

Background:

This section contains regulations for evaluating the effect an applicant's/beneficiary's conversion or transfer of property has on Medi-Cal eligibility. This section was updated to remove the requirement for counties to forward Period of Ineligibility determinations to the Department of Health Care Services for approval prior to implementation.

Policy:

A. Conversions

Conversions of property are defined as changing property from one form to another without changing ownership including:

- Sale of Property – Proceeds from the sale of real property count in the property reserve. Proceeds of a sale of real property used to purchase a principal residence (including moving costs, necessary furnishing and repairs to the principle residence) are exempt for six months. If the proceeds are used for some other purchase, the remainder is still exempt if being retained to purchase a principal residence.
- Life Insurance – Money borrowed against a life insurance policy counts in the property reserve.
- Insurance Payments – Insurance payments for the loss or damage of property are treated as converted property.

Property obtained through conversion must be evaluated. For example, the cash proceeds from the sale of an exempt life insurance policy must be added to the property reserve.

B. Transfers of Property

Transfers of Property are changes in ownership so that the person no longer holds title to, or beneficial interest in, the property. There is no penalty for transferring property for less than market value except when transfers are made by institutionalized individuals.

C. Period of Ineligibility (POI) for Institutionalized Individuals

Transfers of non-exempt property for less than fair market value are also known as uncompensated transfers. Uncompensated transfers by an institutionalized individual require a period of ineligibility for nursing facility services only.

Transfers that do not result in a POI

- Transfers made more than 30 months prior to institutionalization (for recipients) or the date of Medi-Cal application are not considered in determining a period of ineligibility.
- Transfers where the applicant/beneficiary provides convincing evidence that the transfer was not made for the purpose of establishing eligibility.
- Transfers of a non-exempt former personal residence title to a:
 - Spouse
 - Child under 21
 - Sibling who has equity interest in the home and resides in the institutionalized individual's home for at least a year prior to the date of institutionalization
 - Child who resided in the home for at least two years prior to the date of institutionalization so that they could provide care for the parent.
- Transfers of non-exempt property to the community spouse or a child who is blind and is permanently disabled.

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- Transfers where the institutionalized individual intended to transfer the property at fair market value.
- When the POI would result in undue hardship. Undue hardship exists when the person would be otherwise eligible except for the transfer and is unable to obtain medical care without Medi-Cal and one of the following conditions exist:
 - The person was incompetent at the time of transfer
 - The person was competent but unduly influenced
 - The person is being threatened with eviction from LTC, and the eviction would increase medical problems or decrease physical health, and a satisfactory showing is made to the county that the person no longer has the property and does not have the funds to pay past due and current bills for institutional care.
 - The person is receiving a Hospice Care Medi-Cal card.

Calculating POI

- Use form MC 176 PI to calculate the POI for each uncompensated transfer.
- Do not add transfers together unless they are transfers made on the same day, from the same account to the same person.
- The POI begins with the month the property was transferred.
- The POI will be the lesser of:
 - 30 months
 - The value of the property transferred divided by the average private pay rate (APPR). APPR is determined by the State and is comparable to the monthly average cost of long term care.

When the POI is determined, enter the begin and end date on the Display Sanction/POI/Penalty Detail screen in order to transmit the restriction code 951 to MEDS.

References:

MEM 50408 (a&b)

ACWDLs [91-107](#), [91-15](#), [91-44](#), [92-42](#), [92-53](#), [92-57](#), [97-05](#), [97-05E](#)

Sunset Date:

This policy will be reviewed for continuance on or by 5/31/2022

Approval for Release:



Rick Wanne, Director
Eligibility Operations