

# TennCare CHOICES

## What is TennCare CHOICES?

Nursing home care costs about \$6,000 per month. Most older Tennesseans cannot afford this expense, even with careful retirement planning. CHOICES is designed to fill that gap. TennCare CHOICES is the state program that helps pay for long-term care services or nursing home care. People on CHOICES also get TennCare insurance.

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## What are the CHOICES categories?

CHOICES is divided into three groups:

- Group 1 – This is nursing home Medicaid. If you meet the medical and financial criteria, Group 1 pays for your nursing home care.
  - Group 2 – This is for home care instead of nursing home care. You must meet the medical and financial criteria for nursing home care.
  - Group 3 – This is at-home care like Group 2 except with fewer benefits. Group 3 is for people who do not qualify for nursing home care but need some care at home to prevent the need for nursing home care. Only people receiving Supplemental Security Income (SSI) can get Group 3 services.
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## What are the qualification for CHOICES if I am single?

To get CHOICES, you must:

- Have less than \$2,000 in countable assets;
- Qualify medically; and

- Have a monthly gross income of less than \$2,205 (2017) or have a Qualified Income Trust (QIT), which is sometimes called a Miller Trust. A QIT is not an asset trust. It is a sieve for income. After the income is deposited into the QIT account, it is used to pay your portion of your nursing home care bill. If you need a QIT, you will need an attorney to prepare the trust document for you.
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## **Do I have to sell all of my assets and spend all of my money before I can qualify for CHOICES?**

No, there are certain exempt assets or assets that do not count toward eligibility, such as the following:

- Your home,
  - One car,
  - Your personal stuff,
  - Burial plots,
  - Burial fund up to \$1,500 or a pre-paid irrevocable funeral and burial or cremation plan,
  - Spouse's retirement account (Individual Retirement Account or 401(k)),
  - Property or stuff that is unavailable to you for reasons beyond your control,
  - Property jointly owned with someone else, but he or she refuses to sell the property, and
  - Special Needs Trust approved by federal and Tennessee law.
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## **Will TennCare take my real estate if I receive TennCare?**

TennCare can recover money spent on your care through "estate recovery." TennCare does not take your real estate until after you die. In some instances, TennCare may delay taking your real estate. Your family will not be personally responsible to TennCare.

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## **Can I give away an asset to become eligible for TennCare?**

No, giving away assets can make you ineligible for TennCare. When you apply for TennCare, you must disclose any transfers of assets for less than fair market value in the last 5 years (called the “lookback period”). For example, if you sold your farm to your children for \$1, you have made a transfer for less than fair market value and would have to report this transfer on your TennCare application.

If you have given away assets in the 5 years before your application, your application will be denied. TennCare can assess a penalty period, but the penalty period will not start ticking under you are otherwise eligible for Medicaid, meaning you must be in a nursing home, below \$2,000 in countable assets, and have a Qualified Income Trust in place if your income is too high. Before making any transfers of assets, talk to an attorney who is knowledgeable in Medicaid law.

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## **If my husband or wife is in a nursing home, do I have to spend all of our assets before he or she will qualify for TennCare?**

No. You, the “community spouse,” will need a resource assessment, which is a list of all of the assets of both spouses. The request for a resource assessment is made to TennCare when the CHOICES application is submitted. You should talk to an attorney knowledgeable in Medicaid law before submitting a resource assessment.

On the resource assessment, the assets of both spouses are listed as either countable or non-countable assets. Countable assets are cash, bank accounts, stocks, bonds, real estate other than the home where you live, and other assets that can be converted to cash. Non-countable assets are the home where you live, one car, personal stuff, and your retirement accounts. The value of the countable assets are totaled, and the total is divided by 2. You are allowed to keep  $\frac{1}{2}$  of the countable assets up to a certain amount, which changes annually. In 2017, the amount is \$120,900.

The remaining funds, if any, must be spent down to \$2,000 before the nursing home spouse qualifies financially for CHOICES. These funds can be spent on anything that benefits either spouse. If you are required to spend down funds to become eligible, keep receipts and proof of how you spent down the funds.

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## **How is my income handled if I am approved for CHOICES?**

Usually, you can keep enough of your income to pay your health insurance premium and keep a \$50 personal needs allowance. The remainder of your income is your patient liability or the amount you must pay to the nursing home each month for your care.

If you are a married nursing home spouse, your spouse still at home can keep all of her income and enough of your income to bring her up to \$2,002.50 (2017) per month, which is called the minimum monthly maintenance allowance.

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## **How do I apply for CHOICES?**

If you already have TennCare, you should call the Managed Care Organization listed on your insurance card. If you do not have TennCare, you should call your local Area Agency on Aging and Disability (AAAD).

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## **What if I am denied CHOICES?**

If you are denied, you have the right to appeal. You will receive written notice of the denial, and the notice will tell you how to appeal. It will give you a telephone number, fax number, and address for you to let the agency know you want to appeal. You usually only have a limited time to appeal. If you want to appeal, you should do so immediately upon receiving your denial. You should talk to an attorney or your local legal aid if you want legal representation at your hearing.

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