I. HOUSEHOLD RESOURCE GUDELINES

A. Definitions

For the purposes of the NCHD Indigent Healthcare Handbook:

1. **Resources** are defined as assets or possessions, both liquid and non-liquid. Examples include cash, bank accounts, stocks, bonds, certificates of deposit, vehicles, boats, campers, buildings, land and mineral rights.

2. **Fair Market Value** is defined as the amount a resource would bring if sold on the current local market.

3. **Equity** is defined as the amount of money that would be available to the owner after the sale of a resource. The amount is determined by subtracting from the fair market value any money owed on the item and the costs normally associated with the sale and transfer of the item.

4. Accessible resources are defined as resources legally available to the household.

5. **Inaccessible resources** are defined as resources not legally available to the household.

6. **Personal possessions** are defined as furniture, appliances, jewelry, clothing, livestock, farm equipment and other items if the household uses them to meet personal needs essential for daily living.

7. **Countable resource** is defined as the equity value of any resource that is not specifically exempt.

B. Resource Limit

A household is not eligible for the Nueces Aid Program if the total countable household resources exceeds **$4,011.33** anytime during the month.

This amount will be subject to the percent (%) increase in the Federal Poverty Guidelines as calculated to prior year and adjusted annually thereafter on the first day of the month following publication in the Federal Register.

C. Types of Resources

Household resources are either countable or exempt. Listed below are resource types used to determine household eligibility. Each resource is designated as counted or exempt:

1. <u>401K Plan</u>
   <u>Exempt</u>

2. <u>Alien Sponsor's Resources</u>
   <u>Count</u> for three years after the alien's entry into the United States, the resources of the alien's sponsor and sponsor's spouse if the sponsor and spouse are living together Determine the sponsor's countable resources by applying the policies contained in this section; subtract **$2,005.67**; and consider the remainder as resources available to the household.

   The subtracted amount will be subject to the percent (%) increase in the Federal Poverty Guidelines as calculated to prior year and adjusted annually thereafter on the first day of the month following publication in the federal register

3. <u>Burial Plots</u>
   <u>Exempt</u> burial plots as a countable resource.

4. <u>Homestead</u>
   <u>Exempt</u> a household's homestead. A homestead is the household's usual residence and surrounding property that is not separated by property owned by others. Surrounding property that is separated by public rights of way such as roads is considered as part of the homestead.

   <u>Exempt</u> a homestead temporarily unoccupied because of employment, training or future employment, illness casualty, or natural disaster if the household intends to return.

   <u>Do not exempt as a homestead any real property outside of Nueces County.</u>

   Households that do not currently own a home but own or are purchasing a lot on which they intend to build or are building a permanent home, receive an exemption for the lot and if partially completed, for the home.

   <u>Count</u> money remaining from the sale of a home.

5. <u>Inaccessible Resources</u>
   <u>Exempt</u> inaccessible resources. Examples are irrevocable trust funds, property in probate, security deposits on rental property and utilities.

6. <u>Income-Producing Property (except real property)</u>
   <u>Exempt</u> income producing property if it is essential to a household

member's employment or self-employment and annually produces income consistent with its fair market value, even if used only on a seasonal basis. Such property will continue to be exempt during temporary periods of unemployment if the client expects to return to work. Property essential to self-employment is not exempt if earnings result from an illegal activity.

7. Individual Retirement Accounts
Count Individual Retirement Accounts (IRA) as resources. If there is a penalty for early withdrawal, deduct the penalty and count the remaining amount.

8. Insurance Settlements
Count insurance settlements as resources. Deduct any amount earmarked and spent for the household's bills for burial, medical or damaged/lost possessions. Count the remaining amount after deductions.

9. Jointly Owned Property
Exempt if the property is jointly owned by the household and other owners and the household proves that the property cannot be sold or divided without the other owners' consent and the other owners will not sell or divide the property.

10. Keogh Plans
Count Keogh Plans. If there is a penalty for early withdrawal, deduct the penalty amount and count the remainder. **Exempt** the Keogh Plan if there is a contractual withdrawal agreement with other people who are not household members and who share the same fund. This type of Keogh Plan is considered an inaccessible resource.

11. Lawsuit Settlement
Count lawsuit settlements, minus any amount earmarked and spent for the household's bills for burial, legal, medical or damaged/lot possessions.

12. Life Insurance
Exempt

13. Liquid Resources
Count liquid resources if readily negotiable. Examples; cash, checking, or saving accounts, saving certificates, stocks and bonds.

14. Lump-Sum Payments
Count. Countable lump-sum payments include but are not limited to income tax refunds, retroactive lump-sum Social Security, railroad

retirement benefits or other payments and refunds of security deposits on rental property or utilities.

15. Non-liquid Assets
Count non-liquid assets such as, personal property, licensed and unlicensed vehicles, buildings, and land.

16. Personal Possessions
Exempt personal possessions. If personal possessions are sold, count the money received from the sale as a liquid resource.

17. Prepaid Burial Insurance
Exempt one of these policies per household member. Also exempt one prepaid funeral plan or prepaid funeral agreement for each household member.

18. Real property
Count real property. Real property is land and any improvements on it.

19. Resources of Disqualified Persons
Exempt the resources of disqualified persons, such as, resources of an AFDC or SSI recipient. **Exempt** all resources of a person who receives QMB, MQMB, SLMB, QI-1, or QI-2.

20. Retirement Accounts
Exempt. Retirement accounts are those in which an employee and/or his employer contributes money intended to provide for retirement.

    The amount in the retirement account is exempt until the money is withdrawn. If the money is withdrawn as a monthly check, count it as income. If the money is withdrawn as a lump sum, count it as a resource.

21. Trust Funds
Exempt.

22. Vested Retirement Accounts
Exempt. Vested retirement accounts are those to which an employee makes contributions for a specified period of time as defined by the employer. The money is not matched by the employer until that defined period of time ends. The money in these account is exempt.

23. Vehicles
Exempt one vehicle per household when it is used by the household for transportation regardless of value. **Exempt** all licensed vehicles

if they are used more than 50% of the time for income-producing purposes or if they produce annual income consistent with their fair market value (even if only used on a seasonal basis). **Exempt** all vehicles with a fair market value of less than or equal to **$6,218** regardless of the number of vehicles owned by the household. The fair market value in excess of **$6,218** of vehicles is counted as part of the household's available resources, except for the exemptions listed above.

The fair market exemption amount will be subject to the percent (%) increase in the Federal Poverty Guidelines as calculated to prior year and adjusted annually thereafter on the first day of the month following publication in the federal register.

The following are suggestions for determining the fair market value of a vehicle:

- Use the average trade-in or wholesale value listed in the National Automobile Dealer's Association (NADA) Used Car Guide - current within the last six(6) months. Use the loan value of the vehicle only if other sources are unavailable.

- If the household thinks that the listed value is incorrect because of the vehicle's condition (body damage or inoperable), allow the household to provide verification from a reliable source (bank loan officer or licensed car dealer).

- Do not increase the value because of low mileage, optional equipment, or special equipment for handicapped.

- Request that the household prove the value of antique, custom-made, or classic vehicles if an accurate appraisal cannot be made by staff.

- Accept the household's estimated value of vehicles no longer listed in the NADA guide unless the value is questionable and would affect eligibility. In this case, have the household provide an appraisal from a licensed car dealer or some other evidence of the value such as a tax assessment or newspaper ad showing the sale price of similar vehicles.

- For new vehicles not yet listed in the NADA guide, ask the household to provide an estimate of the wholesale or trade-in value from a new car dealer or a bank loan officer.

D. Verification of Resources

Prior to approval for healthcare assistance, questionable resources will be verified.

E. Documentation of Resources

The Eligibility Worksheet will be used to verify and document household resources.

F. Property Transfer Guidelines

Households are ineligible if within the previous three months they have transferred a countable resource for less than its fair market value to qualify for healthcare assistance. This penalty applies only if the value of the transferred resource plus the household's other countable resources will affect eligibility. If spouses are separated, transfer of separate property by one spouse does not affect the eligibility of the other spouse. Households which have transferred resources within the previous three months for less than the fair market value in order to qualify for the Nueces Aid Program will be subject to the following delays in assistance:

$ 0.01	to	$ 334.26	Delay of 1 Month
$ 334.27	to	$1,335.77	Delay of 3 Months
$1,335.78	to	$4,011.32	Delay of 6 Months
$4,011.33	to	$6,685.54	Delay of 9 Months
$6,685.55		and above	Delay of 12 Months

The transferred resources in the table above will be subject to the percent (%) increase in the Federal Poverty Guidelines as calculated to prior year and adjusted annually thereafter on the first day of the month following publication in the Federal Register.