

Medicaid's Look-Back Period Explained

When a senior is applying for long-term care Medicaid, whether that be services in one's home, an assisted living residence, or a nursing home, there is an asset (resource) limit. To be eligible for Medicaid, one cannot have assets greater than the limit. Medicaid's look-back period is meant to prevent Medicaid applicants from giving away assets or selling them under fair market value to meet Medicaid's asset limit.

All asset transfers within the look-back period are reviewed. If an applicant has violated this rule, a penalty period of Medicaid ineligibility will be established. This is because had the assets not been gifted, sold under their fair market value, or transferred, they could have been used to pay for the elderly individual's long-term care. If one gifts or transfers assets prior to the look-back period, there is no penalization.

The date of one's Medicaid application is the date from which one's look-back period begins. In 49 states and D.C., the look back period is 60 months. In California, the look back period is 30 months.

As an example, if a Florida resident applies for Medicaid on Jan. 1, 2022, their look-back period extends back 60 months to Dec. 31, 2016. All financial transactions during that timeframe will be subject to review.

Examples of transactions that could result in a penalty include money gifted to a granddaughter for her high school graduation, a house transferred to a nephew, collectors' coins sold for half their value, or a vehicle donated to a local charity. Even payments made to a personal care assistant without a formal care agreement or assets that were gifted, transferred, or sold under fair market value by a non-applicant spouse can violate the look-back period and result in a period of Medicaid ineligibility.

Even after the "initial" look back period, if a Medicaid beneficiary comes into some money, say for example, via an inheritance, and gives all (or some) of the money away, they are in violation of the look back rule. Said another way, despite an initial determination that one has not violated the 60-month (or 30-month in CA) look back period and is receiving long-term care Medicaid, they can violate this rule, and hence, be disqualified from Medicaid benefits.