



Ohio Administrative Code

Rule 5160:1-6-06.3 Medicaid: transfers involving life estates.

Effective: September 1, 2017

(A) This rule describes the treatment of transfers involving life estates when an institutionalized individual is requesting medicaid payment for long-term care services.

(B) The following steps must be taken to determine whether a transfer involving a life estate, as defined in rule 5160:1-3-05.17 of the Administrative Code, was an improper transfer in accordance with rule 5160:1-6-06 of the Administrative Code:

(1) Review the life estate instrument to determine the nature of the life estate and the rights, responsibilities, and/or restrictions placed on the life estate owner and/or the remainderman, as defined in rule 5160:1-3-05.17 of the Administrative Code.

(2) Determine the effective date of the creation of a life estate in accordance with rule 5160:1-3-05.17 of the Administrative Code.

(3) Calculate the fair market value of a life estate in accordance with rule 5160:1-3-05.17 of the Administrative Code.

(C) Life estates established with an institutionalized individual's property.

(1) If the life estate was established within the applicable look-back period and the terms of the establishing instrument prohibit the life estate from being sold or transferred, the fair market value of the life estate will be presumed improperly transferred.

(2) If an institutionalized individual improperly transferred ownership of his or her home but retained a life estate in the home, the improper transfer amount, with respect to the home transfer, is the difference between the fair market value of the home and the fair market value of the life estate.

(D) Life estates held by an institutionalized individual.



(1) An institutionalized individual's purchase of a life estate interest in another individual's home within the applicable look-back period is presumed to be an improper transfer unless the institutionalized individual resided in the home for a period of at least one year after the date of purchase. If such purchase is deemed improper, the fair market value of the life estate will be the improper transfer amount.

(2) Where the purchase price of a life estate in another individual's home is greater than the fair market value of the life estate, the amount of the difference will be considered improperly transferred, even if the individual resided in the home for at least one year.

(E) If an institutionalized individual transfers or sells a life estate held by the institutionalized individual within the applicable look-back period, the institutionalized individual must receive fair market value, calculated in accordance with rule 5160:1-3-05.17 of the Administrative Code, for the life estate. If the institutionalized individual receives less than fair market value for the life estate, the fair market of the life estate will be presumed improperly transferred.