

USDA Discrimination Financial Assistance Program (DFAP) Awards and Medicaid

The information below is for the farmers and ranchers who applied for and received a one-time, lump-sum award from the United States Department of Agriculture (USDA) under the USDA Discrimination Financial Assistance Program (DFAP). DFAP was created to address the consequences of prior discrimination by USDA in USDA farm lending. This general information will help people who receive these USDA DFAP awards understand the potential impact of such money on Medicaid coverage.

The USDA DFAP Award may affect your Medicaid eligibility. Everyone's situation is different. Be sure to consult an attorney or advocate knowledgeable about Medicaid in your state for advice.

See below for a list of resources.

What is Medicaid?

Medicaid is a joint federal and state program that helps cover medical costs for some people with limited income and resources. The federal government has general rules that all state Medicaid programs must follow, but each state runs its own program. This means eligibility requirements and benefits can vary from state to state.

How could my USDA DFAP award affect my Medicaid?

Your USDA DFAP award will increase your income and resources in the month you receive it. Your Medicaid eligibility is based on having limited income and, for some categories, resources. Depending on the category in which you are eligible for Medicaid, the DFAP award may have a small or large effect on your Medicaid eligibility.

When is my USDA DFAP award considered “income?”

The USDA DFAP award is “income” in the month you receive it. Income is any item an individual receives in cash or in-kind that can be used to meet their need for food or shelter. Medicaid eligibility depends on both earned and unearned income. Earned income includes payment for work. Unearned income is all other income, such as retroactive benefits or a settlement payment. The DFAP award is unearned income in the month you receive it. This is unlikely to have any practical effect on you if you are already getting Medicaid.

When is my USDA DFAP award considered a “resource” or “asset?”

A resource or asset is something you own, such as a bank account, land or personal property that could be used or sold to get money for food or shelter. Some categories of Medicaid count your assets on the first moment of the first day of the month. If the value of your assets is greater than the maximum allowed in your state, you are not eligible for Medicaid in that category that month. The unspent portion of your USDA DFAP award will count as a resource on the first day of the month following the month you receive it.

What are the Medicaid income and asset limits in my state for different Medicaid eligibility categories?

How the USDA DFAP award affects your Medicaid eligibility depends on the category of your Medicaid eligibility.

- If you are eligible for Medicaid and are under age 65, not disabled and not pregnant (Medicaid expansion), there is no asset limit in these categories, so your Medicaid is not at risk.
- If you received Medicaid through Ohio’s Specialized Recovery Services Program (SRS Medicaid), there is no asset limit, so your Medicaid is not at risk.
- If you are eligible for Medicaid because you are on SSI (Supplemental Security Income), or over age 65 or disabled, the asset limit for SSI and SSI-linked Medicaid is \$2,000 for one person living alone; \$3,000 if you live with your spouse; \$4,000 if living with a minor child who gets SSI; or \$5,000 if you and your spouse live with a minor child getting SSI.

- If you are receiving Medicaid through the Medicaid Buy-in for Workers with Disabilities program, the asset limit is \$14,848.
- If you are single and are in a nursing home, on the PASSPORT program, the Home Care Waiver, or the Assisted Living Waiver, the asset limit is \$2,000. If you are married and your spouse is living in a nursing home, or on one of those programs but you are not, then as long as your assets are less than \$154,150 and your spouse's assets are less than \$2,000, your spouse will still be eligible for nursing home Medicaid. If you are both living in a nursing home or enrolled in one of these programs, then the asset limit is \$3,000.
- If you are on Medicare and Medicaid pays ONLY your Medicare premiums or Medicaid your Medicare premiums and your Medicare copays, the asset limits are also higher: \$9,430 for an individual and \$14,130 for a family of two.

WARNING: If the USDA DFAP award increases your assets, AND you are receiving Medicaid because you are over age 65, blind or disabled, AND you do not spend down to the allowable limit, you will become ineligible for Medicaid.

What can I do to avoid or lessen the impact of the USDA DFAP award on my Medicaid?

If you are receiving Medicaid because you are over age 65, blind or disabled, you can avoid or lessen the impact of the USDA DFAP award by spending the money on an exempt resource. Examples of exempt resources include buying a home, car, household good or personal item, property essential for supporting yourself, life insurance, burial plot and burial insurance.

For example, if you use the DFAP award to pay off a mortgage, pay off credit card or other debt, make home improvements or repairs, purchase a burial plot or plan, or trade in a car for a new one, you can spend down the amount of money necessary to be under the resource limit. **DO NOT GIVE THE MONEY AWAY.** This could make you ineligible for some Medicaid services for up to five years.

Do I need to report the USDA DFAP award to Medicaid?

Yes. You should report to Medicaid the amount of the award as soon as you receive the money. If you do not report the award to Medicaid, you will have to pay back money you

should not have received for covered health care expenses, and you may face other penalties or sanctions.

How do I get information from Medicaid about my benefits?

Call the Ohio Medicaid Hotline at 800-324-8680 for information about your Medicaid coverage. You can also contact your local county Department of Job and Family Services. You can find contact information for your county's agency at <https://jfs.ohio.gov/about/local-agencies-directory/local-agencies-directory>.

Where can I find more resources related to the impact of the USDA DFAP award on my Medicaid?

In Ohio, Pro Seniors may serve USDA DFAP awardees who are Ohio residents and who meet the eligibility requirement of being 60 years of age or older. Pro Seniors provides free legal information, advice and referral, regardless of income or resources.

You can reach out to the Pro Seniors' Legal Helpline. To schedule a telephone appointment, please call the Helpline between the hours of 9 a.m. to 3 p.m., Monday through Friday. In the Cincinnati area, please call 513-345-4160. Outside the local calling area, you can reach the Legal Helpline toll-free at 800-488-6070. Visit proseniors.org for more information.

See www.ohiolegalhelp.org for more information.

Additional resources and information are also available at <https://www.nlada.org/USDA-DFAP/award-recipients>.

For general questions about your USDA DFAP award, contact the DFAP Call Center at 1-800-721-0970.