

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 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; \$3000 if you live with your spouse.
- EPD is Employed People with Disabilities. See below for income and resource standards for this category:

Oregon Supplemental Income Program Medical (OSIPM) standards

EPD participant fee standards

Program	% of FPL	Income		Resources		Countable income	Participant fee
		One	Two	One	Two		
Non-SSI OSIPM*		\$943	\$1,415	\$2,000	\$3,000	Under \$942	\$0
OSIPM-EPD**	250	\$3,138	N/A	\$5,000	N/A	\$942 - \$1,254.99	\$50
OSIPM BH	150	\$1,883	N/A	\$2,000	N/A	\$1,255 - \$3,137.99	\$100
300% of SSI		\$2,829	N/A	\$2,000	N/A	\$3,138 and above	\$150

*SSI recipients are assumed eligible so do not have an income or resource standard, but still must meet pursuit of asset requirements and residency requirements (OAR 461-135-0010).

**Individuals with countable earned income equal to or less than \$6,361 will meet the EPD adjusted income limit listed.

- If you or your spouse are in a nursing home, or home- and community-based care (such as assisted living, residential care or receiving in-home services in your own residence), much higher income and asset limits apply.
- In Oregon, the OSIP-M resource and asset limits (see above) apply to the individual who lives in long-term care, but different resource and asset limits apply to the “community spouse” who does not live in long-term care.

Long term care standards	
CBC Room and Board	\$733
Personal Incidentals (PIF)	\$210
Nursing Facility PIF	\$77.14
Maximum CSIA	\$3,853.50
Maximum CSRA	\$154,140
Minimum CSRA	\$30,828
Max Maintenance Needs Allowance	\$3,853.50
Home Equity Limit	\$713,000
Part B Premium	\$174.70

- If you are on Medicare and Medicaid pays ONLY your Medicare premiums, the asset limits are also higher: \$9,430 for an individual and \$14,130 for a family of two. The income limits also may be higher, depending on your state. There are no resource limits for Medicare Savings Program in Oregon.

Medicare Savings Programs



What are Medicare Savings Programs?

Medicare Savings Programs are Medicaid programs administered by the Oregon Department of Human Services that help people pay costs related to Medicare. There are three Medicare Savings Programs.

- QMB: Pays Medicare premiums, deductibles, co-pays, and co-insurance;
- SMB and SMF (Specified Low-income Medicare Beneficiaries and Qualifying Individuals): Pays for Medicare Part B premiums only. SMF depends on federal funds and may not always be available.

Who is eligible for Medicare Savings Programs?

You must be receiving Part A (hospital insurance benefits) and your income must fall within certain limits that are listed to the right. There are other requirements not listed on this brochure.

DHS starts with your gross income. DHS then subtracts \$20 from your income. DHS subtracts more if you have any earned income. You may be eligible for these programs even if you think your income is higher than the income limits.

There are no resource limits for these programs in Oregon.

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?

If you are over 65 or disabled, you can get information about Medicaid benefits by reaching out to your local Oregon Department of Human Services office. Find your local office here: <https://www.oregon.gov/odhs/Pages/office-finder.aspx?serviceid=22> or contact the central office for help locating your local office.

Central office:

Oregon Department of Human Services
500 Summer St NE, E15
Salem, OR 97301

*No direct services at this location.

Email: odhs.info@odhsoha.oregon.gov

Phone: 503-945-5600

TTY: 503-945-6214

Fax: 503-581-6198

Hours: Monday to Friday, 8 a.m. – 5 p.m.

If you are under 65 and don't have a disability, you can get information about your Oregon Health Plan benefits by calling OHP client services at 800-273-0557 (TTY 711) or by emailing Ask.OHP@odhsoha.oregon.gov.

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

Many USDA DFAP award recipients can request brief legal advice through the ABA Free Legal Answers platform at <https://abafreelegalanswers.org/>. You will need to select the state where you live and provide income and asset information to determine eligibility for free legal advice, which is generally available to people with household income below 250 percent of the federal poverty guidelines. When answering questions about your assets, do not include your USDA DFAP award. Once you are approved, you can create an account to ask a question and get advice from a volunteer attorney.

You can also contact the legal aid office that serves your community. Not all legal aid programs can assist with these kinds of questions, and they only serve people who meet financial and other eligibility requirements. You can look up your local legal aid at <https://www.lsc.gov/about-lsc/what-legal-aid/i-need-legal-help>.

Additional resources and information are 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.