



Ohio Administrative Code

Rule 5160:1-3-05.16 Medicaid: home replacement exclusion.

Effective: December 14, 2020

(A) This rule describes the application of the home replacement exclusion for purposes of determining eligibility for medical assistance. When the home is being replaced due to loss or damage resulting from a disaster, refer to rule 5160:1-3-05.14 of the Administrative Code.

(B) Definitions.

(1) "Proceeds" mean the net payments received by the seller after satisfaction of all encumbrances and sale expenses.

(2) "Sale expenses" mean all expenses that must be paid by the seller in connection with the sale of the home, including but not limited to broker fees, commissions, legal fees, mortgage-related fees such as points paid by the seller, inspection and settlement fees, and transfer and other accrued taxes paid by the seller.

(C) The home replacement exclusion allows an individual to sell an excluded home that was the individual's principal place of residence without having the proceeds of the sale count as a resource if used for the purchase of, and costs incidental to occupying, another excluded home.

(1) This exclusion from resources applies to the proceeds of the sale of the excluded home when they are used or obligated to purchase and occupy another excluded home by the last day of the third full month following the month of receipt.

(2) When the home is not replaced within this period, the proceeds are to be counted as a resource beginning with the month following the month they were received by the individual.

(3) The exclusion does not apply to interest earned on the proceeds of the sale.

(4) The administrative agency shall not implement the exclusion until the statement described in



paragraph (E) of this rule is obtained.

(D) The home replacement period begins on the date the proceeds of the sale are received by the individual. The home replacement period ends on the last day of the third full month following the month the proceeds are received.

(E) When the individual states that the home is being replaced, the administrative agency shall obtain a signed statement from the individual containing the following required information:

(1) Date and amount of proceeds received from the sale of the home; and

(2) The individual's intent to replace the home with another home by a specific date that is on or before the last day of the third full month following the month of receipt of the proceeds; and

(3) An acknowledgement that any proceeds of the sale not used for another excluded home by the date identified in paragraph (E)(2) of this rule are to count in determining eligibility for medical assistance beginning on a specific date that is the first day of the first month following receipt of the proceeds.

(4) The administrative agency will contact the individual to collect the information needed. If the individual declares the verifications cannot be accessed or submitted, the individual's statement is to be accepted.

(5) If the administrative agency is unable to make contact with the individual, a written (electronic or paper) request for the necessary information or verification documents is to be sent as set forth in rule 5160:1-2-01 of the Administrative Code.

(F) The administrative agency shall verify the amount of the proceeds and the date they were received by obtaining a copy of the settlement sheet or other documents prepared at settlement and received by the individual from the sale.

(G) By the last day of the month in which the home replacement period expires, the administrative agency shall contact the individual to verify the date and amount of any allowable costs or



deductions for the replacement home by obtaining written evidence (e.g., contracts, bills, receipts, settlement sheets) regarding the substitute home.

(1) The administrative agency shall charge any retained proceeds not used or contracted to be used toward the replacement home before expiration of the replacement period as a resource beginning with the month following the month of receipt.

(2) When the individual has not replaced the home as intended, all of the proceeds will count as a resource beginning with the month following the month of receipt.