Bivens & Associates P.L.L.C.
ESTATE PLANNING • ELDER LAW • SPECIAL NEEDS

Stephanie A. Bivens, Esq., C.E.L.A.
Kristin Y. Alkhamisi, Esq.
Letty P. Segovia, Esq.
Megan Selvey, Esq.

MAIN OFFICE:
8283 N. Hayden Rd., Suite 195
Scottsdale, AZ 85258

Telephone: 480-922-1010
Facsimile: 480-498-7455
www.bivenslaw.com

2025 Arizona Long Term Care System (ALTCS): Frequently Asked Questions

What is ALTCS? The Arizona Long Term Care System (ALTCS) is a division of the Arizona Health Care Cost Containment System (AHCCCS), which administers the state's Medicaid program. Medicaid is a federal and state-funded health care program designed to assist individuals with limited income and resources. ALTCS specifically provides acute and long-term care services for individuals who are elderly (age 65 and older), physically disabled, or developmentally disabled. On a national level, Medicaid covers more than half of all nursing home expenses.

What does ALTCS pay for? ALTCS provides a comprehensive range of services to eligible individuals, including skilled nursing, assisted living, home health care, behavioral health services, home and community-based services, and case management. These services are coordinated and delivered through an ALTCS program contractor chosen by the applicant.

Who qualifies for ALTCS benefits? Unlike Medicare, ALTCS (Medicaid) eligibility is needs-based, requiring applicants to demonstrate both medical and financial need. To qualify for benefits, applicants must meet the following criteria in addition to the medical and financial requirements:

1. Be 65 or older, under 18, blind, or disabled.
2. Be a U.S. citizen or a qualified lawful resident.
3. Reside in Arizona, with physical presence and intent to remain in the state.
4. Apply for all other potential benefits, such as pensions or VA benefits.
5. Reside in an ALTCS-approved living arrangement.

What is the medical criteria? Elderly or disabled applicants must be at risk of institutionalization and require significant assistance with activities of daily living (ADLs). Medical eligibility is determined through a Pre-Admission Screening (PAS) conducted by an AHCCCS nurse or social worker. This screening includes both a functional and medical assessment, with a primary focus on the applicant's ability to perform ADLs such as mobility, transferring, toileting, dressing, feeding, bathing, and grooming.

The assessment also evaluates the applicant's diagnosis, sensory function, orientation, emotional and cognitive behavior, and required medical services or treatments. Applicants who meet ALTCS medical criteria often demonstrate a combination of the following:

- A need for assisted living, memory or skilled nursing care.
- Regular medical monitoring.
- Cognitive impairments (e.g., Alzheimer’s disease or dementia) or physical disabilities requiring prompting, supervision, or hands-on assistance with ADLs.
- Incontinence.

- Psychosocial deficits.

What is the 2025 financial criteria? ALTCS applicants must meet BOTH the income and resource criteria, dependent on marital status.

2025 Income Criteria

Single individuals may qualify for ALTCS if their gross monthly income is below $2,901. For married couples, eligibility depends on whether the applicant spouse's gross monthly income is less than $2,901, or if the combined gross monthly income of both spouses is less than $5,802.

What happens if income exceeds these limits? Applicants with higher incomes may still qualify by creating and appropriately using an Income-Only Trust (commonly referred to as a Miller Trust). If an Income-Only Trust is necessary, it is essential to seek guidance from experienced legal counsel.

2025 Resource Criteria

Countable Assets:
Countable assets typically include bank accounts, investments, retirement accounts, cash value of life insurance policies, stocks, bonds, cash, and real property or land that is not the applicant's primary residence. To qualify for ALTCS, a single applicant is limited to $2,000 in countable resources.

For married couples, the rules are more complex. All countable assets owned by either spouse are combined as of the first month the applicant spouse met medical eligibility criteria. This total is then divided in half to determine the allowable Community Spouse Resource Assessment (CSRA). The CSRA cannot exceed $157,920 or be less than $31,584. Additionally, the applicant spouse may retain up to $2,000 in resources. If both spouses are applicants, each is typically limited to $2,000 in countable resources.

Non-Countable Assets:
Certain assets are excluded from the countable resource limits and can be retained in addition to the allowable countable resources. These include:

- The primary residence (with the applicant's equity interest capped at $730,000).
- One automobile.
- Certain burial funds or irrevocable burial plans, and burial plots.
- Household goods and personal effects.
- Special Needs Trusts (established under 42 U.S.C. § 1396p(d)(4)).
- Medicaid-compliant annuities.
- Other limited exceptions.

Understanding the distinction between countable and non-countable assets is critical for ALTCS planning.

When Should You Consult an Attorney for ALTCS Planning and Application?

If you or a loved one is receiving—or may need in the future—skilled nursing care, memory care, assisted living, adult care home services, or home health care, and you are concerned about how to afford these services, *now* is the time to consult with an experienced Medicaid planning attorney. Waiting too long could put your financial stability and access to quality care at risk.

Medicare provides very limited long-term care coverage—just 100 days in a skilled nursing facility—and no benefits for memory care, assisted living, or ongoing non-medical home health care. Medicaid (ALTCS), on the other hand, can be the key to affording quality long-term care, whether at home or in a facility. The right legal advice can mean the difference between impoverishment and financial security.

Don't wait—schedule a consultation with an experienced elder law attorney if any of the following apply:

1. **You need an Income-Only Trust (Miller Trust):** If your income exceeds ALTCS limits, proper planning can help you qualify.
2. **You own real property:** Protect your home from AHCCCS liens and estate recovery.
3. **You have excess countable resources:** Learn legal strategies to preserve your savings while qualifying for ALTCS.
4. **You are considering or have made gifts/transfers of assets:** Avoid penalties and delays related to the 5-year look-back period.
5. **Your ALTCS application was denied:** Professional guidance can help you appeal and/or re-apply and succeed.
6. **You are married:** Ensure the "well spouse" retains maximum income and savings to maintain financial stability.
7. **You want to avoid application mistakes:** Most ALTCS applications are denied due to errors. An attorney can ensure your application is approved the first time.

Don't risk your financial future or the care your loved one needs. Consulting with a knowledgeable Medicaid planning attorney is the best way to protect your assets, navigate the complexities of ALTCS, and secure the benefits you deserve. *Contact us today to get started!*

What Happens if My Parents Transfer Assets to Qualify for ALTCS?

If a person gives away or transfers assets for less than fair market value within five years before applying for ALTCS, this must be disclosed during the application process. This five-year timeframe is known as the "look-back period."

When such transfers occur, ALTCS calculates a penalty period during which the applicant is ineligible for benefits. The length of this penalty is determined by dividing the total value of the assets transferred by the average monthly cost of care in the applicant's county, as set by AHCCCS. As of now, these amounts are:

- **$8,201.34** in Maricopa, Pima, or Pinal Counties.

- **$7,752.73** in all other Arizona counties (effective through September 30, 2025).

The resulting figure is the number of months the applicant will be ineligible for ALTCS services, starting the month of application.

Exceptions to the Penalty:
Certain transfers are exempt from penalties, including:

- Transfers to or from a spouse.
- Transfers to a disabled child or a trust for the benefit of a disabled child.
- Transfers to a Special Needs Trust under 42 U.S.C. § 1396p(d)(4)(A) or (C) for disabled individuals under age 65.
- Transfers of excluded resources (other than a home).
- Transfers not made with the intent of qualifying for Medicaid/ALTCS benefits.
- Gifts or transfers made more than 60 months before applying for ALTCS.

Caution with Asset Transfers:
In some situations, asset transfers can be a valuable strategy for preserving resources while planning for ALTCS eligibility. However, improper or poorly timed transfers can result in significant penalties and delays.

If you or your loved ones have made or are considering making gifts or transfers, it is *critical* to consult with an experienced Medicaid planning attorney. The right legal advice can help you navigate these rules, avoid costly penalties, and protect your financial future. *Contact us today for expert guidance on ALTCS planning.*

Will ALTCS Take My House?

Not necessarily. In many cases, proper advance planning can help you avoid liens or estate recovery against your home. ALTCS has limited rights to recover costs through two mechanisms: **TEFRA liens** and the **estate recovery program**. Here's how they work:

TEFRA Liens:

AHCCCS may impose liens on real property owned by ALTCS recipients who are permanently institutionalized (e.g., living in a skilled nursing facility) for at least 90 days. These liens, managed by AHCCCS, may include property held through a life estate deed or beneficiary deed. The lien is typically enforced upon the sale or transfer of the property.

However, TEFRA liens will **not** be imposed, or claims will not be recovered, if the following individuals lawfully reside in the home:

- The recipient's **spouse**.
- A **child under 21 years of age**.
- A **blind or disabled child**.

- A **sibling** who has an equity interest in the home and lived in the home for at least one year before the recipient entered a medical institution.

Additionally, AHCCCS will not recover a lien during the lifetime of a:

- **Surviving spouse**.
- **Child under 21**.
- **Disabled child of any age**.
- **Sibling** who resided in the home for at least one year before the member's institutionalization.
- **Child caregiver** who lived in the home for at least two years before the recipient's institutionalization and provided care that allowed the recipient to remain at home rather than in a facility.

Estate Recovery

If an individual received ALTCS services after the age of 55, AHCCCS may seek reimbursement for the cost of services from the recipient's **probate estate**. Estate recovery is limited to assets subject to probate under Arizona law and does **not** include:

- Property held in joint tenancy.
- Life insurance proceeds.
- Assets with designated beneficiaries, such as pension plans or IRAs.
- Real property transferred by Beneficiary Deed.

ALTCS will not pursue estate recovery if the recipient is survived by:

- A **spouse**.
- A **disabled child** of any age.

Take Action to Protect Your Home

With the right planning, you can safeguard your home from liens and estate recovery. If you or a loved one is considering ALTCS or concerned about protecting real property, we can help you explore your options and develop a strategy to protect your home. *Contact us today to learn more.*

May I purchase non-countable assets to "spend down" the excess assets?
Yes, you may pay off debts and purchase non-countable assets to spend down to your allowed countable resource limit.

Will ALTCS Decide Where I Will Live?

No, ALTCS does not decide where you will live. The applicant or their legal representative has the authority to choose the living arrangement that best suits the applicant's needs. However, if the applicant resides outside the home, the selected placement must be an ALTCS-certified living arrangement to qualify for services.

If I Receive ALTCS, Will the State Take Over My Social Security and Pension?

No, the state will not take over your Social Security or pension payments. However, the ALTCS program will determine how much of your monthly income must be allocated toward your share of cost, room and board, out-of-pocket medical expenses, spousal allowance (if applicable), and/or personal spending allowance. These amounts are based on your income and specific circumstances, but the state does not directly manage your accounts or income.

How Much Will I Have to Pay for My Care While on ALTCS?

If you are receiving ALTCS-paid services, you may be required to contribute a portion of your income toward your care costs. The amount you pay depends on your living situation and specific circumstances.

For those residing at home, the state allows you to keep your income to help cover the costs of living and receiving ALTCS services. However, if an Income Only Trust is required, a cost may be applied.

When living in a residential setting like a skilled nursing facility or assisted living, you will need to pay a portion of your monthly income for services. If you are in a skilled nursing facility, this payment is called your **"Share of Cost"**, which is determined by ALTCS. If you reside in another setting, such as an adult care home or assisted living, the payment is called **"Room and Board"** and is determined by your program contractor.

The amount you will pay can vary depending on factors such as your monthly income, medical expenses, marital status, and living arrangement. Generally:

- **Single recipients** pay their facility the amount of their monthly income, minus medical insurance costs, out-of-pocket medical expenses, and a Personal Needs Allowance (PNA).
- **Married recipients**: The spouse may be entitled to keep a portion of the recipient's income, called the **Community Spouse Monthly Income Allowance (CSMIA)**. The CSMIA can range from $2,555 to $3,948, depending on the couple's specific situation, and is available to the community spouse if the recipient's income is used to make up the difference.

After accounting for the PNA, CSMIA, medical insurance costs, and out-of-pocket medical expenses, the remaining income is used to cover the cost of the recipient's placement. Note: The Share of Cost/Room and Board is never assessed against the spouse's income.

*****

At **Bivens & Associates, P.L.L.C.**, we've successfully helped hundreds of clients qualify for ALTCS benefits, safeguarding their hard-earned assets while ensuring they receive the highest quality care. Don't navigate this complex process alone — **let us guide you through it** and secure the care you deserve. Contact us at 480-922-1010 or email info@bivenslaw.com today to schedule your consultation. We are here to help.

Disclaimer: The information contained in this document is provided for informational purposes only, and should not be construed as offering legal advice or creating an attorney client relationship between the reader and the author. You should not act or refrain from acting on the basis of any content included in this document without seeking appropriate legal advice about your individual facts and circumstances from an attorney licensed in your state. Bivens and Associates, P.L.L.C. expressly disclaims all liability with respect to actions taken or not taken based on any or all information contained in this document.

NOTE:*This is a basic general outline only and the numbers and rules are always subject to change. These numbers are effective as of 01/01/2025.*