Steps to Take

If you decide to use a Qualified Income Trust to qualify for Medicaid, please take the following steps:

1. Find an attorney who is knowledgeable about trusts. You can contact Alaska Legal Services or the Alaska Bar Association and request referrals to attorneys specializing in Medicaid or Elder Law.
2. Find a willing person or agency that you trust to be your trustee.
3. Open a separate bank account for your trust account. For ease in accounting, have all money deposited directly into the account.
4. Provide a copy of the trust bank statement to your Division of Public Assistance office showing deposits going into the trust account. You may be required to provide an accounting of all trust expenditures and use.
5. After the attorney has written the trust, provide a complete copy to your Division of Public Assistance office. The trust must then be approved by a Medicaid policy specialist.
6. Once the Medicaid policy specialist approves your trust, record the trust with the court system.
7. Give a copy of the recording document to your Division of Public Assistance office.
8. Keep a copy of your trust for reference.
9. If your trustee changes, be sure to give your Division of Public Assistance office the Successor Trustee Appointment document.

Home and Community Based Waiver Medicaid, Nursing Home Medicaid, and TEFRA Medicaid Contact:

Long Term Care Office
1-800-478-7778

Questions regarding Medicaid for the Disabled, Blind, or Elderly can be directed to your local DPA office.

General Trust Questions may be directed to the DPA Policy email box at hss.dpa.policy@alaska.gov

State of Alaska
Department of Health
Division of Public Assistance
http://health.alaska.gov/dpa

Qualifying Income Trusts
(Miller Trusts)

Mike J. Dunleavy, Governor
Adam Crum, Commissioner

MED 23 (06-3971) rev 07/22

What is a Qualifying Income Trust?

Qualifying Income Trusts (QIT's) are often referred to as Miller Trusts. QIT's are typically used when an elderly, disabled, or blind person is not eligible for Medicaid, yet he or she has a high cost for medical or prescription needs that are not covered by Medicare or private health insurance.

Many people use QIT's to access Nursing Home Medicaid or Home and Community Based Waiver Services. However, a QIT may also be used to qualify for any Medicaid eligibility category.

When considering use of a QIT, a person should always consult an attorney specializing in Elder or Medicaid Law. It is important that Medicaid applicants and recipients know that the establishment of a QIT requires that a trustee be appointed to assume responsibility for their finances.

When is a Qualifying Income Trust Used?

A Qualifying Income Trust could be used in the following situations:

- If a person wishes to qualify for Medicaid and his or her monthly income is over the relevant monthly eligibility standard.*
- If a person wishes to access Nursing Home Medicaid or Home and Community Based Waiver Services and their monthly income is over the relevant monthly eligibility standard.*

*Note: A Public Assistance office can provide the current standards.

Qualifying Income Trust Requirements

A valid Qualifying Income Trust must have the following conditions:

- It must consist only of income of the applicant or recipient and the accrued earnings of the trust. It cannot contain any other assets.
- It must be irrevocable, meaning once established it cannot be cancelled or withdrawn by the beneficiary.
- It must name a trustee. The trustee becomes responsible for the Medicaid recipient's financial affairs and controls the trust.
- It must terminate only upon a court order or the death of the beneficiary, whichever is earlier.
- It must stipulate that upon death of the individual, the state receives all amounts remaining in the trust up to an amount equal to the total Medicaid benefits paid on behalf of the recipient.

Qualifying Income Trust Q & A's

How much money can I keep from the trust to live on?

- If you are in a Nursing Home you may keep $200 for your monthly Personal Needs Allowance.
- If you are receiving Home and Community Based Waiver Services, you may keep up to $1,656 per month if living in a private home, or $1,396 if living in assisted living facility.
- If you receive regular Medicaid coverage, you may keep the Adult Public Assistance need standard as your monthly living allowance.
- If payments from the trust are used for food, or shelter, this will reduce the amount you may receive from the trust.

How will I receive my living allowance?

- Your trustee will need to issue you a check.

Can my spouse or children receive money from the trust for a living allowance?

- Spouses of Nursing Home Medicaid or Home and Community Based Waiver Service recipients may receive a spousal allowance and a dependent allowance for minor children. Any spousal income is considered when determining the amount of spousal allowance.

What are allowable uses from the trust?

- Some allowable uses are personal needs or living allowance, cost-of-care payments for Nursing Home Medicaid or Home and Community Based Waiver Service recipients, uncovered Medical expenses taxes or child support. It is important to refer to the trust document for specific guidelines.