



NJ ELDER LAW

CENTER

GOLDBERG LAW GROUP

**What to Expect During the Medicaid
Application Process**

Thank you for retaining our firm to assist your family with your Medicaid application. The Medicaid process requires careful preparation and detailed documentation. Our office will guide you through each step of the process to help ensure that the application is submitted accurately and in a timely manner.

Below is an overview of what you can expect during the application process.

1. Document Collection

The first step in the process is gathering the documentation required by Medicaid. Our office will provide you with a **Medicaid Checklist** outlining the documents we will need.

These documents include:

Financial Statements

Medicaid requires documentation for all financial accounts belonging to the applicant, including:

- Bank accounts (checking and savings)
- Investment accounts
- Retirement accounts
- Annuities
- Life insurance policies
- CDs
- Stocks

Because Medicaid reviews prior financial activity, we will request 5 years of statements for each account. These accounts include any accounts that are solely in the applicant's name, joint with the applicant, and if they have spouse, we will also need the spouse's financial statements.

Income Verification

We will also need documentation confirming the applicant's monthly income, such as:

- Social Security award letters
- Pension statements
- Annuity income statements

Identification Documents

Medicaid may require identification documents such as:

- Social Security card
 - Birth certificate
 - Marriage certificate (if applicable)
 - Power of Attorney documentation
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2. Financial Review

Once we receive the financial statements, our office will carefully review the statements flag any transactions over \$1,000.

Medicaid requires explanations for certain transactions, including:

- Large withdrawals
- Cash withdrawals
- Transfers between accounts
- Payments to family members
- Gifts or asset transfers

To address these items, we will ask for additional documentation such as:

- Receipts
- Copies of Checks
- Deposit Slips
- Invoices
- Proof of payment
- Written explanations or certification letters

This review process helps ensure that the application is complete and reduces the likelihood of delays during Medicaid's review.

3. Meetings to Review Financial Transactions

We will schedule a Flagging meeting with you to review the financial transactions we flagged during the review of statements. During this meeting, we will go over any items that Medicaid may question and determine what documentation or explanations may be needed.

These meetings are helpful in identifying the purpose of certain transactions and ensuring that we have accurate information before submitting the application.

4. Preparing the Medicaid Application

Once the required documentation has been collected and reviewed, our office will prepare the Medicaid application and supporting documentation.

The application package typically includes:

- Medicaid application forms
- Financial documentation
- Explanations for questioned transactions
- Additional supporting documentation required by Medicaid.

After everything has been prepared, the application will be submitted to Medicaid for review.

5. Medicaid Review Process

After the application is submitted, a Medicaid caseworker will review the file.

During this stage, the caseworker may request additional documentation or clarification regarding certain transactions. If this occurs, our office will communicate directly with Medicaid and will contact you if additional information is needed.

Requests for additional documentation are common during the review process. When we receive these requests, we are often given a limited amount of time to respond. It is therefore important that any requested information be provided as soon as possible, as delays in responding may result in a delay in receiving benefits or, in some cases, a denial of the application.

6. Medicaid Determination

Once the caseworker has completed their review, Medicaid will issue a determination regarding eligibility.

If the applicant is approved, Medicaid will provide the eligibility date and coverage will begin accordingly.

If additional information is needed before a decision can be made, the caseworker may issue a written request for documentation.

Why Medicaid Requires Five Years of Financial Records

Medicaid has a **five-year look-back period**. This means the agency reviews financial activity during the five years prior to the application to determine whether any assets were transferred for less than fair market value.

If Medicaid finds that assets were gifted or transferred during this period, a **penalty period** may be imposed during which Medicaid will not pay for long-term care services.

For this reason, Medicaid requires documentation showing how funds were spent during this five-year period.

Why Cash Withdrawals Can Create Issues

Cash withdrawals are difficult for Medicaid to verify because there is no automatic record showing how the money was spent.

If a bank statement shows a large cash withdrawal, Medicaid may ask for an explanation and documentation showing the purpose of the withdrawal.

Examples of acceptable explanations may include:

- Household expenses
- Caregiver payments
- Medical expenses
- Home repairs or maintenance

When documentation is not available, our office may prepare a **certification letter** explaining the purpose of the withdrawal.

Why Medicaid May Request Additional Documentation

Even after an application is submitted, Medicaid may request additional information. This is a normal part of the process.

A caseworker may request clarification if they see:

- Unusual transactions
- Missing statements
- Transfers between accounts
- Deposits or withdrawals that need explanation

Our office will handle communication with the caseworker and will let you know if additional documentation is needed.

Important Notes

The Medicaid process can take several months depending on the county and the complexity of the case.

To help avoid delays:

- Please provide requested documentation as soon as possible.
- Notify our office if you receive any correspondence from Medicaid.
- Contact us if you have questions regarding the documentation requested.

Our goal is to guide you through this process and ensure the application is prepared as thoroughly and accurately as possible.