

# STRATEGIES TO REDUCE COUNTABLE INCOME

## For Florida Medicaid Long-Term Care Eligibility (2026)

Florida is an “income cap” state. For 2026, individuals with gross monthly income above \$2,982 are ineligible for Medicaid long-term care benefits—unless proper planning strategies are used. Below are the primary tools available to reduce or manage countable income and preserve eligibility.

### 01 Qualified Income Trust (Miller Trust)

The primary tool in Florida. An irrevocable trust that receives your monthly income and distributes it in a specific order: personal needs allowance (\$160/month), spousal maintenance allowance, health insurance premiums, and the remainder to the care facility. Florida law requires the State (AHCA) to be named as the remainder beneficiary.

- ▶ *This does not reduce income—it creates a legal pathway to eligibility for individuals over the \$2,982 cap.*

### 02 Spousal Income Allocation (MMMNA)

If the applicant is married, a portion of their income can be diverted to the community spouse (the spouse remaining at home) if that spouse’s own income falls below the Minimum Monthly Maintenance Needs Allowance. In 2026, the maximum MMMNA is \$4,066.50/month. This reduces the applicant’s countable income dollar-for-dollar.

- ▶ *Often overlooked when the community spouse has modest Social Security income of their own.*

### 03 Health Insurance Premium Deductions

Medicare Part B premiums, Medigap/supplemental insurance premiums, Medicare Part D premiums, and other health insurance premiums paid by the applicant are deducted from countable income before comparison to the income cap.

- ▶ *Ensure every premium the client pays is documented and reported on the application.*

### 04 Income Source Reclassification & Exclusions

Not all income counts. Federal law excludes VA Aid & Attendance benefits, VA Housebound Allowance, and Holocaust reparations. Under MAGI rules, workers’ compensation, child support, and SSI payments are also excluded. Verify that every income source is properly categorized—misclassification can make or break eligibility.

- ▶ *A client receiving VA A&A benefits may already be under the cap once excluded income is removed.*

### 05 Eliminate Unnecessary Income Streams

Small annuities, certificates of deposit generating monthly interest, or other low-value income-producing assets can sometimes be restructured, cashed out, or converted into exempt assets. Reducing recurring monthly income—even by small amounts—can bring a client under the cap without needing a Miller Trust.

- ▶ *Evaluate whether the income generated is worth the eligibility risk.*

### 06 Irrevocable Burial Trust / Prepaid Funeral

While this does not reduce income directly, it shelters assets and provides a permissible spend-down option for lump-sum payments (such as settlements or retroactive benefits). Funds placed into an irrevocable prepaid burial arrangement are exempt from Medicaid’s resource count.

- ▶ *Useful for protecting one-time payments like workers’ comp settlements within the month of receipt.*

## 2026 KEY NUMBERS AT A GLANCE

Income Cap: \$2,982/mo (single) • \$5,964/mo (both spouses applying) • Resource Limit: \$2,000 (individual) •  
MMMNA: up to \$4,066.50/mo • CSRA: up to \$162,660 • Personal Needs Allowance: \$160/mo

Every situation is unique. **Contact Zoecklein Law P.A.** for a personalized Medicaid planning consultation.  
Phone: (813) 501-5071 • Email: [info@zoeckleinlawpa.com](mailto:info@zoeckleinlawpa.com)