

KENTUCKY GENERAL ASSEMBLY AMENDMENT FORM
2026 REGULAR SESSION
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Amend printed copy of **SB 50/HCS 1**

On page 118, between lines 9 and 10, insert the following:

"➔SECTION 127. A NEW SECTION OF KRS CHAPTER 395 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding any other provision of law, an institutionalized spouse applying for Medicaid long-term care benefits shall not be required, compelled, or mandated to liquidate, assign, transfer, or file suit to enforce dower or curtesy by any person, organization, or government agency for any interest in non-probate assets, including but not limited to:

(a) Jointly held accounts;

(b) Payable on death accounts;

(c) Transfer on death registration designations; or

(d) Rights of survivorship in real or personal property;

in order to qualify or retain Medicaid eligibility. Any attempt to compel such liquidation, assignment, or pursuit shall be unenforceable and void. The assets described in paragraphs (a) to (d) of this subsection shall not be considered available resources for Medicaid eligibility purposes to the surviving spouse.

(2) A surviving spouse who has previously completed a resource assessment as part of a Medicaid application shall not be required, compelled, or mandated to file suit to collect

Amendment No. HFA

Rep. Rep. Lindsey Burke

Committee Amendment _____

Signed: _____

Floor Amendment _____

LRC Drafter: _____

Adopted: _____

Date: _____

Rejected: _____

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surplus personal or real property that has been allocated as part of that process to the deceased spouse. Failure of a surviving spouse who has filed for, applied for, or completed a resource assessment for Medicaid long-term care benefits shall not be deemed a gift or disclaimer.

➔SECTION 128. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO READ AS FOLLOWS:

(1) Transfers of assets by the non-applicant or community spouse to third parties within the two (2) year look-back period shall not be treated as assets of the institutionalized spouse if:

(a) The transfers were made from funds in accounts held solely by the non-applicant spouse;

(b) The assets or funds transferred were not derived from the institutionalized spouse's income, resources, or any consideration thereof; and

(c) The transfer was in the ordinary course of life or for permissible purposes, including but not limited to payment of tuition, medical expenses, or support obligations.

(2) Transfers that meet the requirements of paragraphs (a) to (c) of subsection (1) of this section shall not trigger Medicaid ineligibility, penalties, or asset recovery for the institutionalized spouse.

(3) A transfer made solely by a non-applicant spouse from that spouse's separate property shall not be recharacterized as a transfer by the institutionalized spouse for purposes of Medicaid eligibility, estate recovery, or creditor claims.

➔SECTION 129. A NEW SECTION OF KRS CHAPTER 392 IS CREATED TO READ AS FOLLOWS:

(1) An institutionalized spouse shall not be required to exercise a right of election or

augmented estate claim, and the failure to exercise such a right shall not be deemed a waiver, transfer, or failure to pursue resources for Medicaid eligibility purposes.

(2) This section shall not expand the scope of assets subject to Medicaid estate recovery beyond that permitted by federal law.

→SECTION 130. A NEW SECTION OF KRS CHAPTER 387 IS CREATED TO READ AS FOLLOWS:

Nothing in this chapter shall be construed to require an institutionalized individual or any fiduciary acting on the individual's behalf to assert, pursue, litigate, or monetize any claim, election, or interest if doing so would jeopardize eligibility for Medicaid or other means-tested public benefits.

→SECTION 131. A NEW SECTION OF KRS CHAPTER 457 IS CREATED TO READ AS FOLLOWS:

Nothing in this chapter shall be construed to require an institutionalized individual or any fiduciary acting on the individual's behalf to assert, pursue, litigate, or monetize any claim, election, or interest if doing so would jeopardize eligibility for Medicaid or other means-tested public benefits."; and

Renumber subsequent sections accordingly.