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Medicaid & Assisted Living: Navigating Eligibility

Admin User · December 29, 2025

Eligibility criteria, program limitations, tips on finding legal assistance and more.

By Harry S. Margolis

Question:

My ex-husband is cognitively impaired. He has been scammed by numerous online accounts that he considers his "girlfriends." He thinks that I am going to stick around and be his caregiver while he attempts to bring his "girlfriends" into my apartment. Yes, we live in the same space. I'm trying to get him his own apartment, but he literally has no savings – none. And I've spent mine trying to provide for his medical needs. In Arizona, would he be able to get assisted living with Medicaid?

Response:

What a difficult and uncomfortable situation!

Unfortunately, I can't answer your question because Medicaid differs so much from state to state, especially with respect to assisted living coverage.

Medicaid is a joint federal-state program with the federal government setting the ground rules and reimbursing some of the states' costs. While there are certain rules that apply nationwide, such as limits on countable assets and certain income limitations, beyond these there's considerable state-by-state variation.

For instance, if your husband needed nursing home care, he would be eligible for Medicaid coverage anywhere in the country since he has no savings. The asset limit for a single person in a nursing home is $2,000. He would apply his income to the monthly charge and Medicaid would pick up the rest of the cost. (Some states have a so-called "income cap" that applies to higher-income nursing home residents, but there's a work around involving using a “Miller” or “qualified income” trust.)

Some state Medicaid programs cover assisted living facilities and some do not. And in those states where coverage is available, not all facilities participate in the program. Those that do often have a waiting list and give preference to their existing residents who have been paying out-of-pocket until they have run out of money. In other words, to get the Medicaid coverage, you have to be able to pay privately for a period of time first.

The PACE program combines Medicaid and Medicare coverage to provide comprehensive health care, including assisted living if deemed appropriate. Unfortunately, it appears that Arizona does not participate in this program, though the neighboring states of California and New Mexico do.

Further, while in recent years many states have been expanding Medicaid coverage of home care and assisted living care, that trend is likely to end or be reversed with the recently passed Congressional budget resolution which targets federal funding of Medicaid for about $800 billion of cuts over the next 10 years.

For advice on what’s available in Arizona, I recommend that you consult with a local elder law attorney. One place to find one is at www.elderlawanswers.com.

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Harry S. Margolis practices elder law, estate and special needs planning at Margolis Bloom & D’Agostino in Wellesley, Massachusetts, and is the founder of ElderLawAnswers.com and co-founder of the Academy of Special Needs Planners. He is author of “The Baby Boomers Guide to Trusts: Your All-Purpose Estate Planning Tool” and answers consumer questions about estate planning issues at www.AskHarry.info. Please post your estate planning questions there.