



Illinois Medicaid Eligibility for Long Term Care: Income & Asset Limits

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Illinois Medicaid Long-Term Care Definition

Medicaid is a health care program for low-income individuals of all ages. While there are multiple coverage groups, our focus is on long-term care Medicaid eligibility for elderly Illinois residents, aged 65 and over. In addition to nursing home care, Illinois Medicaid pays for non-medical support services to help frail seniors live at home, the home of a loved one, or a supported living facility (similar to an assisted living residence). There are three categories of Medicaid programs through which Illinois seniors may be eligible for long-term care.

1) Institutional / Nursing Home Medicaid – An entitlement; anyone who is eligible will receive assistance. Benefits are provided in Medicaid-certified nursing homes.

2) Medicaid Waivers / Home and Community Based Services – Not an entitlement; there are a limited number of participants and waiting lists may exist. Intended to delay the need for nursing

home admissions, services and supports are provided at home, adult day care, and in supportive living facilities. [More on waivers.](#)

3) Regular Medicaid / Aid to Aged Blind and Disabled (AABD) – An entitlement; all persons who meet the eligibility requirements are able to receive benefits. While Regular Medicaid is not Long-Term Care Medicaid, some long-term care benefits, such as personal care assistance or adult day care, may be available. [More on Regular Medicaid vs. LTC Medicaid.](#)

Medicaid in Illinois is commonly called the Medical Assistance Program. While it is state and federally funded, it is administered by the state under federally set parameters. The Illinois Department of Healthcare and Family Services is the administering agency. Eligibility is determined by the Illinois Department of Human Services (IDHS).

*** One Big Beautiful Bill Act (OBBBA) & Medicaid Cuts: Don't panic yet.** OBBBA's \$1 trillion in Medicaid cuts will happen over 10 years and the initial cuts on Jan. 1, 2026, only eliminated a 2-year temporary financial incentive for states that expanded Medicaid eligibility (to adults under age 65 with income up to 138% of the Federal Poverty Level) under the Affordable Care Act. While Nursing Home Medicaid is largely protected from future funding cuts, Home and Community Based Services (HCBS) are likely to be targeted. However, this law is still facing state and federal legal challenges and is by no means certain.

Income & Asset Limits for Eligibility

① The American Council on Aging now offers a free, quick and easy [Medicaid Eligibility Test](#) for seniors.

The three categories of Medicaid programs, through which long-term care is available, have differing eligibility requirements. Further complicating eligibility is that the financial criteria changes annually, varies with marital status, and Illinois offers multiple pathways towards eligibility.

*** Simplified Eligibility Criteria: Single Nursing Home Applicant**

In 2025, a single Nursing Home Medicaid applicant must meet the following criteria: 1) Income under \$1,304 / month 2) Assets under \$17,500 3) Require a Nursing Home Level of Care.

The table below provides a quick reference to allow seniors to determine if they might be immediately eligible for long-term care from an Illinois Medicaid program. Alternatively, one can take the [Medicaid Eligibility Test](#). IMPORTANT: Not meeting all of the criteria does not mean one is ineligible or cannot become eligible for Medicaid in IL. [More](#).

April 2025 – March 2026 Illinois Medicaid Long-Term Care Eligibility for Seniors

Type of Medicaid	Single			Married (both spouses applying)			Married (one spouse apply		
	Income Limit	Asset Limit	Level of Care Required	Income Limit	Asset Limit	Level of Care Required	Income Limit	Asset Limit	Lev Ca Requ
Institutional / Nursing Home Medicaid	\$1,304 / month*	\$17,500	<u>Nursing Home</u>	\$1,762 / month*	\$17,500	<u>Nursing Home</u>	\$1,304 / month for applicant*	\$17,500 for applicant & \$143,172 for non-applicant	<u>Nur Ho</u>
Medicaid Waivers / Home and Community Based Services	\$1,304 / month†	\$17,500	<u>Nursing Home</u>	\$1,762 / month†	\$17,500	<u>Nursing Home</u>	\$1,304 / month for applicant†	\$17,500 for applicant & \$143,172 for non-applicant	<u>Nur Ho</u>
Regular Medicaid / Aid to Aged Blind and Disabled	\$1,304 / month	\$17,500	<u>Help with ADLs</u>	\$1,762 / month	\$17,500	<u>Help with ADLs</u>	\$1,762 / month	\$17,500	<u>He wi AC</u>

*All of a beneficiary's monthly income, with the exception of a \$60 / month Personal Needs Allowance, Medicare premiums, and potentially a Needs Allowance for a non-applicant spouse, must go towards nursing home costs. This is called a Patient Liability.

†Based on one's living setting, a beneficiary may not be able to keep monthly income up to this level. Persons in supported living residences can only retain \$120 / month as a Personal Needs Allowance. Income may also go towards Medicare premiums and a Spousal Income Allowance for a non-applicant spouse (if applicable).

Income Definition & Exceptions

Countable vs. Non-Countable Income

Nearly any income from any source that a Medicaid applicant receives is counted towards Medicaid's income limit. This includes employment wages, alimony payments, pension payments,

Social Security Disability Income, Social Security Income, IRA withdrawals, and stock dividends. Nationally, Holocaust restitution payments are not counted as income. While the majority of states do not count the VA Aid & Attendance Allowance as income, Illinois is an exception and does count it.

Treatment of Income for a Couple

When only one spouse of a married couple applies for Institutional Medicaid or a Medicaid Waiver, only the income of the applicant is counted. The non-applicant spouse's income is disregarded and does not impact their spouse's income eligibility. The non-applicant spouse, however, may be entitled to a Monthly Maintenance Needs Allowance (MMNA) from their applicant spouse to prevent spousal impoverishment. Specific to IL, this Spousal Income Allowance, is called a Community Spouse Maintenance Needs Allowance (CSMNA).

In 2026, the CSMNA is \$4,066.50 / month. If a non-applicant spouse has monthly income under this amount, income can be transferred to them from their applicant spouse, bringing their monthly income up to \$4,066.50 / month. A non-applicant spouse who already has a monthly income of \$4,066.50 or more is not entitled to a CSMNA.

Income is counted differently when only one spouse applies for Regular Medicaid / Aid to Aged Blind and Disabled; the income of both spouses are calculated towards the applicant's income eligibility. Furthermore, the non-applicant spouse cannot receive a Community Spouse Maintenance Needs Allowance. More on how Medicaid calculates income for eligibility purposes.

Asset Definition & Exceptions

Countable vs. Non-Countable Assets

The value of countable assets are added together and counted towards Medicaid's asset limit. This includes cash, stocks, bonds, investments, cryptocurrency, bank accounts (i.e., money market, savings, and checking), and real estate in which one does not reside. In Illinois, IRAs are also counted. There are also many assets that are considered exempt (non-countable). Exemptions include personal belongings, household furnishings, an automobile, and generally one's primary home. Additionally, irrevocable prepaid funeral burial contracts up to \$8,434 are exempt, and if funded by a life insurance policy, there is no limit.

Treatment of Assets for a Couple

All assets of a married couple are considered jointly owned (regardless of the long-term care Medicaid program for which one or both spouses is applying). However, the non-applicant spouse of an Institutional Medicaid or Medicaid Waiver applicant is permitted a Community Spouse Resource Allowance (CSRA). In 2026, the community spouse (the non-applicant spouse) can retain up to \$143,172 of the couple's assets. Note: There is no CSRA for Regular Medicaid.

Medicaid's Look-Back Rule

Illinois has a 60-month Medicaid Look-Back Period that immediately precedes one's Nursing Home Medicaid or Medicaid Waiver application date. During which, Medicaid checks to ensure no assets were gifted or sold for under fair market value. If this has been done, the Medicaid agency assumes it was to meet Medicaid's asset limit. Violating the Look-Back Rule results in a Penalty Period of Medicaid ineligibility. Note: There is no Look-Back Period for Regular Medicaid.

The U.S. Federal Gift Tax Rule does not extend to Medicaid eligibility. In 2026, this rule allows one to gift up to \$19,000 per recipient without filing a Gift Tax Return. Gifting under this rule violates Medicaid's Look-Back Period.

Illinois Medicaid Home Exemption Rules

The primary home will automatically be exempt if the applicant's spouse, child under 21 years old, or permanently blind or disabled child (of any age) lives in it. If this is not the case, there is a home equity interest limit of \$752,000 (in 2026). Home equity is the value of the home, minus any outstanding debt against it. Equity interest is the amount of home equity owned by the applicant. Furthermore, if neither the applicant nor abovementioned family live in the home, the applicant must have Intent to Return. Note: For Regular Medicaid, there is no home equity interest limit. More on home exemption rules.

While one's home is usually exempt from Medicaid's asset limit, it is not exempt from Medicaid's Estate Recovery Program. Following a long-term care Medicaid beneficiary's death, the IL Medicaid agency attempts reimbursement of care costs through whatever estate of the deceased still remains. This is often the home. Without proper planning strategies in place, the home will be used to reimburse Medicaid for providing care rather than going to family as inheritance.

Medical / Functional Need Requirements

An applicant must have a functional need for Medicaid long-term care. For Institutional Medicaid and Medicaid Waivers, a Nursing Facility Level of Care (NFLOC) is required. Furthermore, certain benefits may have additional eligibility requirements specific to that benefit. For example, for a waiver to cover a personal emergency response system, an inability to safely live independently without it might be required. For long-term care services via the Regular Medicaid program, a functional need with Activities of Daily Living (ADLs) is required, but a NFLOC is not necessarily required.

Qualifying When Over the Limits

For Illinois residents, aged 65 and over, who do not meet the financial eligibility requirements above, there are other ways to qualify for Medicaid.

1) Medically Needy Pathway – Illinois has a spenddown program for seniors who have income over Medicaid's income limit. This program allows persons to become income-eligible for Medicaid services by spending the majority of their income on medical expenses. This may include medical care/treatment/supplies, nursing home services, in-home personal care, Medicare premiums, and prescription drugs. Effective April 2025 – March 2026, the medically needy income limit (MNIL) in IL is \$1,304 / month for an individual and \$1,762 / month for a couple. The "spenddown" amount, which can be thought of as a deductible, is the difference between one's monthly income and the MNIL. Alternatively, the state allows the option of a pay-in spenddown. This allows one to pay their monthly spenddown directly to the IL Department of Human Services. Once one has met their "spenddown", they are income-eligible for the remainder of the month. The medically needy asset limit is \$17,500 for an individual, as well as for a couple.

2) Asset Spend Down – Seniors who have assets over Medicaid's asset limit can reduce their countable assets by "spending down" extra assets on non-countable ones. This includes making home modifications (i.e., installing wheelchair ramps or stair lifts), prepaying funeral and burial expenses, and paying off debt. Remember that assets cannot be gifted or sold under fair market value, as it violates Medicaid's Look-Back Rule. When "spending down", it is best to keep documentation of how assets were spent as evidence this rule was not violated.

* Use our Illinois Medicaid Spend Down Calculator to determine if you will have to "spend down" your assets, and if so, receive an estimate of the amount.

3) Medicaid Planning – The majority of persons considering Medicaid are "over-income" and / or "over-asset", yet they still cannot afford their cost of long-term care. For these persons, Medicaid planning exists. By working with a Medicaid Planning Professional, families can employ a variety of strategies to help them become Medicaid-eligible, as well as to protect their home from Medicaid's Estate Recovery Program. Connect with a Certified Medicaid Planner.

Specific Illinois Medicaid Programs

While Medicaid will pay for nursing home care in all states, Illinois Medicaid also offers other long-term care programs, which provide for "Home and Community-Based Services" (HCBS).

1) Waiver for Supportive Living Facilities – This Supportive Living Program (SLP) provides support for persons who are disabled or elderly in "supportive living facilities", which are similar to assisted living residences. Services and supports may include personal care assistance,

housekeeping, laundry, intermittent nursing care, and memory care (for persons with Alzheimer's disease and other dementias).

2) HCBS Waiver for the Elderly – Also called the Persons who are Elderly Waiver, limited support is provided to help seniors remain living at home. Benefits may include adult day care, homemaker assistance, automated medication dispensers, and medical alert services.

3) Medicaid Managed Long Term Services and Supports (MLTSS) – Part of the HealthChoice Illinois Program, MLTSS is a managed care program for “dual eligible” persons. This means one is a recipient of both Medicaid and Medicare. Benefits via MLTSS may include transportation to medical appointments, home modifications, assistance with daily living activities, adult day care, assisted living services / memory care services, and more. Program participants continue to receive their Medicare benefits through Medicare.

4) Illinois Medicare-Medicaid Alignment Initiative (MMAI) – Also for individuals who are dually eligible for Medicaid and Medicare, this is a managed care program that streamlines both program benefits. Home and Community Based Services, both medical and non-medical, are available. Benefits may include physician & dental visits, adult day care, personal care assistance, meal preparation, and housecleaning.

5) Money Follows the Person (MFP) – While Illinois is in the process of implementing this federal program, it is unclear when this program will be active. MFP helps institutionalized persons who are eligible for Medicaid to transition back home or into the community.

6) Program of All-Inclusive Care for the Elderly (PACE) – Through PACE, the benefits of Medicare and Medicaid, including long-term care, are available via a single program.

How to Apply for Illinois Medicaid

Seniors can apply for Illinois Medicaid online at ABE (Application for Benefits Eligibility), via phone at 1-800-843-6154 (IDHS Customer Help Line), by submitting a completed paper application (IL444-2378 B – Request for Cash Assistance, Medical Assistance, Supplemental Nutrition Assistance Program), or in person at their local Illinois Department of Human Services (IDHS) office. The IDHS Customer Help Line can provide additional program information and / or application assistance. One's local Area Agency on Aging office may also be helpful. The application process may vary based on program for which one is applying.

Before submitting an Illinois Medicaid application, it is vital that seniors be certain that all eligibility requirements are met. If one does not meet the income and / or asset limit(s), or are unsure if the eligibility criteria is met, Medicaid Planning is strongly suggested. The Medicaid application process can be complicated, and if not done correctly, can result in a denial or delay of benefits. Familiarizing oneself with general information about the application process for long-term care Medicaid can be helpful.

Determine Your Medicaid Eligibility

Get Help Qualifying for Medicaid

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