

# MEDICAID PLANNING

## *The facts...*

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Medicaid is the payor of last resort for many families. When finances are depleted, Medicaid is a public benefit offered by the Federal Government and administered by all fifty states to pay for your medical and long term care costs. Unfortunately, most married couples don't understand the rules and risk spending more than they needed.

Medicaid eligibility is very complex; the rules change frequently, the rules differ in each state. The application is time consuming and the review process lengthy. The consequences of being denied by Medicaid are severe and can negatively impact the comfort, happiness and even the health of the caregiver and their entire family.

A qualified attorney can help clients structure their financial resources and prepare documentation to ensure the best possibility of being accepted into the Medicaid program. They create trusts, manage asset transfers and convert countable assets into exempt assets to ensure eligibility and preserve a family's resources. In addition, they manage finances to ensure a healthy spouse has adequate income and resources to continue living independently during and after the time when their partner goes into a nursing home. Here are some of the general rules you should know:

- Assets in a revocable living trust are not protected and must be used to pay for the costs of long-term care during your life.
- If you are married, your home is exempt and cannot be taken when applying for Medicaid so long as your spouse lives there. If you are single or widowed, your home is exempt up to \$688,000. If you transfer your home to your children, not only will it result in immediate ineligibility for Medicaid, but it could also:
  - Trigger a requirement to file a federal gift tax return,
  - Result in the loss of any property tax homestead exemption,
  - Lose special capital gains tax breaks for the sale of a principal residence, and,
  - Result in your child's spouse (the in-laws) inheriting your home.
- Giving your assets away means losing control. It's not safe even if you "trust" who you give it to. If that person divorces, goes bankrupt or is sued, all of the money you transferred is at risk. There are asset protection trusts that permit you to keep occupancy of your home and direct which of your descendants will inherit your assets without the risk of losing them if long-term care is needed.
- You do not have to wait 60 months to qualify for Medicaid. Eligibility is calculated on a case-by-case basis. It is possible to have over \$250,000 in cash and qualify immediately. Get professional advice and learn the facts.

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- A nursing home or hospital that offers to file a Medicaid application for you has no obligation (and often can't) advise you on how to protect your assets. Only a qualified Medicaid planning attorney will look out for your interests.
- Applying for Medicaid prior to qualification could result in being disqualified for a longer period of time than you otherwise would have been.
- Make sure the attorney you hire is experienced in Medicaid planning. Would you go to your regular doctor for a heart problem?
- Consider long-term care insurance. An annual premium for a couple is usually less expensive than one month of nursing home care and with proper planning it may also enable you to stay home if you become ill.

***Don't let fear stop you from planning. The earlier you start, the more you can protect and the more options you have. Contact **E A Corn, LLC** today at **706-896-3451** or [info@eacornllc.com](mailto:info@eacornllc.com).***