

## **You CAN prevent financial catastrophe!**

There are ways to protect your assets from the ever-rising cost of long-term care. This requires a thorough analysis of your own unique situation and a customized approach that is based on your goals and your current circumstances. *You should consult with an experienced attorney who focuses their practice on Medicaid planning.* The best time to do this is BEFORE entering a nursing home. However, even if you have entered into a nursing home, there are steps that can be taken to help protect some of your assets. Your situation is unique. With proper planning it is possible to:

- Keep your home
- Preserve assets for the Community Spouse (the spouse remaining in the home)
- Gift assets to children and family

## **FAQs:**

**Can I keep my house?** Generally, it is possible to keep your home, even if there is a lot of equity in the home.

**Can I keep my car?** In most cases people are able to keep a single car if it is used for transportation. It is even possible to trade your car in for a more expensive car as part of your spend down process.

**How far back does Medicaid look for asset transfers?** Medicaid looks back five years from the first day of the month when you were first institutionalized for 30 consecutive days and it looks forward forever.

**What if I made gifts within the past five years?** With proper planning it is possible to return the gift or do planning that will allow you to survive the penalty period, if there are sufficient assets to work with.

**Is there any way to leave assets to my children?** Depending on what resources you have at the snapshot date, we may be able to help you leave a legacy or gift for your children.

**Do I have to spend down my spouse's resources to qualify for Medicaid?** There is an exemption amount that your spouse is allowed to keep. We can help you maximize the Community Spouse Resource Allowance.

**If I go into a nursing home, can they take my house?** If you have the intent to return, Medicaid will not require you to sell your house, but they will have a right of recovery after your death.

**Can I prevent Medicaid from taking my house after my death?** There are certain circumstances that will allow your house to be passed to your child or sibling.

**Can I benefit from creating a trust?** Not always, this depends on your particular circumstances. We will evaluate your individual situation and advise you to create a trust only where appropriate.

**Will my spouse be left destitute?** Proper planning can preserve resources for your spouse and ensure that a spouse is not left destitute when you require nursing home level care.

**When is the proper time to begin planning?** That depends on your circumstances. If you and your spouse are healthy, you may want to start planning in your mid to late 70s. If you think assisted living or nursing home care is imminent, you should contact an experienced Medicaid planning attorney right away.

## **DEFINITIONS:**

**Snapshot date:** The first time a person is institutionalized for 30 consecutive days. This may occur at the time you are entering a nursing home facility or it may have occurred prior if a person had a previous injury or illness months or even years prior where they were in a medical institution for at least 30 days. This is the date we are looking at your total assets for determining countable assets and the Community Spouse Resource Allowance.

**Look back period:** Medicaid will look at all assets for five years before the first day of the month of the snapshot. Medicaid will look forward forever. If you have a gift that was made more than five years ago, but after the snapshot date, it may still be an improper transfer.

**Community Spouse:** The spouse who remains at home, after the other spouse is either institutionalized or requires Passport in-home services for nursing home level care.

**Community Spouse Resource Allowance:** The amount the Community Spouse is allowed to keep. This is currently a minimum of \$27,480.00 and a maximum of \$137,400.00. These numbers exclude exempt resources such as the house.

**Right of Recovery:** Medicaid has a right to place a lien on your home or other resources after your death to be reimbursed for medical costs expended during your lifetime.

**Improper Transfer:** Certain gifts will create a penalty period that will prevent you from receiving Medicaid when you would otherwise qualify. A transfer of assets for less than fair market value is considered improper because the assets would be able to be used to pay for your medical care if they had not been transferred away.