

How To Protect Your Home From Medicaid

Not all transfers trigger a period of ineligibility for Medicaid...

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/EINPresswire.com/ -- Even though
Medicaid finances most long-term care in

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this country, it is supposed to be "the payer of last resort." Medicaid pays for long-term care only for those who are poor or who have become poor after paying for medical expenses or nursing homes.

When people give away their assets within five years of applying for Medicaid coverage of long-term care Medicaid presumes that the gifts were made to qualify for Medicaid. This triggers a period of ineligibility for Medicaid long-term care benefits on the theory that those assets could have been used to pay for the individual's care.

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However, not all transfers trigger a period of ineligibility for Medicaid. Federal and state Medicaid laws contain various exceptions to the rule against making gifts within five years of

applying for Medicaid for long-term care (called the look back period). Following is a brief review of the most common exceptions.

Assets That Can Be Transferred Without Penalty

When determining eligibility, resources which are considered available to be used for the applicant's care are exempt. Some examples include household goods and personal effects, one automobile (depending upon state laws and the marital status of the applicant), certain pre-paid funeral plans, and property used for self-support. If all of the conditions contained in state and federal laws are met, these assets do not have to be liquidated to pay for the Medicaid applicant's long term care. Therefore, federal and state laws generally allow for the gifting of those assets to others for little or no compensation.

While the applicant's primary residence isn't usually considered available to pay for the applicant's care (subject to specific conditions, discussed below), Medicaid laws do not allow for the applicant's house to be gifted to others without penalty.

The Home can be exempt. Rules

The home of the applicant is subject to very special rules established in both state and federal Medicaid law. As a rule, a home is exempt and does not count toward Medicaid's asset limit and Medicaid does not require it to be sold to pay for long-term care) if all of the following conditions are met:

- It is occupied by the applicant and/or the applicant's spouse.
- The total equity value is less than \$543,000 (\$814,000 in some states, including California, New York, and Connecticut), and
- Title must usually be held in the name of the applicant and/or the applicant's spouse.

Transfer rules. In most cases, the house cannot be gifted to someone without penalty (since the home exemption requires the applicant or the applicant's spouse to live in and own the house). However, there are exceptions. Under federal law, when title to the applicant's home is transferred to another, this will trigger a period of ineligibility for Medicaid coverage of long-term care unless the transfer is made to one of the following individuals:

- the spouse of the applicant
- a child of the applicant who is under age 21 or who is blind or permanently and totally disabled
- the sibling of the applicant who has an equity interest in the home and who has been residing in the home for a period of at least one year immediately before the date the applicant becomes institutionalized, or
- a son or daughter of the applicant who has been residing in the home for at least two years immediately before the date the applicant becomes institutionalized, and who (as determined by the state) provided the applicant with care, which permitted the applicant to reside at home rather than in an institution or facility.

In other words, the Medicaid applicant can gift his or her house to anyone in the above circumstances during the five-year look-back period without penalty.

Liens on the home. In some cases, even though the house was a non-countable asset for Medicaid eligibility purposes, Medicaid can put a lien on the house and try to recover costs from the sale of the house after the nursing home resident dies.

"Private investigators have an important role to play in litigation," says John A. DeMarr, P.I., a licensed [Orange County private investigator](#) since 1988. "Any investigation into the facts surrounding the situation at issue should be handled by a professional. Our 30 years of experience make all the difference - in the service levels and [innovative approaches](#) we can offer our clients."

To learn more about what a [private investigator Orange County](#) can do to assist you, contact John A. DeMarr, P.I., at (877) 433-6277.

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