

MEDICAID PLANNING

The facts...

- Assets in a revocable living trust are **not protected** and must be used to pay for the costs of long-term care.
- If you are married, your home is exempt and cannot be taken when applying for Medicaid. If you are single or widowed, your home is exempt up to \$750,000. If you transfer your home to your children, not only will it result in immediate ineligibility for Medicaid, but it could also:
 - Trigger a gift tax,
 - Result in the loss of any property tax exemption, 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 100% control of 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.
- It is never too late to protect your assets even if you are already in a nursing home. In fact, you can qualify for Medicaid sooner if you are already in a nursing home, than if you aren't.
- 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 be looking 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 (it's not limited to 60 months).
- 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 the Estate Planning & Elder Law Center today at 843-757-5294 or btreacy@hiltonheadelderlaw.com.