

Can the Government or Nursing Home Take My House for Long Term Care?



ELDER CARE DIRECTION

Providing a Complete Solution for Elder Care Planning

Many elderly people and their family members worry about what might happen to their homes when they are planning for long-term care. The professionals at Elder Care Direction can offer some guidance to people who are planning for their long-term care needs so that they might be able to protect their homes. It is possible for you to protect your home, but there are some situations in which the government might be able to take it.

Understanding Medicaid

Many older adults rely on Medicaid to pay for nursing home care when they are no longer able to live independently. Medicaid is federally funded and run by each state.

People who are able to qualify for Medicaid may use it to pay for their nursing home stays. It is a means-tested program with limits on countable assets and income. Countable assets and income that exceed the limits must be spent to pay for the care. When people move into nursing homes, Medicaid makes the assumption that they no longer need their homes. Medicaid will require a declaration that the homes will be rented or sold along with documentation that a fair

market value price is being asked. Finally, Medicaid will want to know when the house is either rented or sold.

If the house is sold, the proceeds will be used to pay for the care. If it is rented, the monthly rent will count as income and will become a part of the elderly person's contribution to their long-term care. When a house is sold by the family after the patient dies, Medicaid will make a claim for reimbursement.

How nursing homes might take homes

Nursing homes will ask about the property that an elderly applicant owns during his or her admissions process. Nursing homes expect people to sell homes so that they can privately pay for long-term care. Nursing homes generally want people to private pay for their care because the rates that they receive are higher than what they are paid by Medicaid.

While nursing homes cannot take your home, they will encourage you to sell your home so that you can privately pay for your nursing home care before Medicaid starts to pay for your care. However, you do not have to sell your home to pay for your care.

Can you put your home in your family member's name?

There are ways to protect the value of your home such as purchasing a life estate, making a joint purchase, forming personal service contracts and paying a family member for in-home care. However, all of these techniques will require you to engage in specific planning and may need commitments from the family member and the elderly person. To learn more about these options, it is important for you to consult with a professional at Elder Care Direction to make certain that you execute the technique that is the most appropriate for you.

Simply putting your home in a family member's name may not work. If you do this within the five year period before you need nursing home care, you will have a penalty period that will be equal to what you could have paid the nursing home if you had sold your home.

Estate recovery

After you die, the state may make a claim against your estate to recoup some of the money that it paid for your nursing home care. A good plan will contain provisions to reduce the amount that

might be available to pay to Medicaid. It is a good idea to talk to the professionals at Elder Care Direction before you need to enter a nursing home. Advanced planning can help you to keep the value of your home. Schedule your consultation with Elder Care Direction today for help with the planning process.



To arrange a free consultation, please call 267.368.4201.

For additional information, please visit www.ElderCareDirection.com.

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