



TRANSFERRING ASSETS FOR MEDICAID

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Vantage Point welcomes Ben Neiburger, CPA, JD. Ben's law office, Neiburger Law, Ltd. provides legal direction in elder law, estate and Medicaid planning. This month Ben shares some insight into asset transfer considerations when planning for long-term care.

When one talks about long term care planning, typically, the first concern people have is how to "save the house from the nursing home." Despite what you may hear, there are ways to protect your family through proper planning which may include the possibility of utilizing the Medicaid program to pay for care.

Medicaid, a public welfare program, pays for about 48% of the long-term care costs in our country. However, since it is a welfare program, you must qualify to receive benefits. In most states, once you have "countable assets" of \$2000 or less, and a certain amount of limited income, you can qualify for Medicaid benefits. Surprisingly, there are many assets that are not countable towards this \$2000 limit. These assets may include personal belongings and household goods, a car of limited value, burial spaces, your home (in certain circumstances), and much more.

Many times, a home will count as a "homestead" under the Medicaid rules and not against a person for purposes of the \$2000 limit. If a person is single, then Medicaid could file a lien on the house for the costs of the person's care. Of course, these rules can vary from state to state.

There are some situations which are recognized by Medicaid that provide exceptions in order to save your house. However, these situations only apply to the house that the Medicaid applicant uses or has used as his or her primary residence

and include cases in which the Medicaid applicant transfers his or her interest in the house to his or her:



- spouse (who is still living in the community),
- child who is under age 21,
- child of any age who is blind or disabled,
- brother or sister who has an equity interest in the homestead property and who was living in the home for at least one year immediately before the date the person entered a nursing facility or applied for or received certain governmental services, or
- child who provided care (either nursing or support) for the person and who was living in the homestead property for at least two years immediately before the date they entered the facility or applied for or received certain governmental services.

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These situations are quite limited. Also, be aware, that in many states, any gift of assets is subject to up to a five year look back period. This means that any gift that a Medicaid applicant gives away (that does not fit into the situation above) within the five year period immediately preceding the submission of a Medicaid application could cause the Medicaid agency to impose a penalty period during which

the applicant will not receive Medicaid benefits. Gifts occur in many situations including when someone sells a car to someone else for less than fair market value, or when a parent puts a child on the title to a home.

In this column, I have just summarized some very detailed rules. There are other solutions which may allow the transfer of a house or other assets

out of an estate without incurring Medicaid penalty periods. Due to the complexity of the details involved and the many restrictions which apply, these solutions should be discussed with an elder law attorney or another familiar with these rules.

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VANTAGE NEWS



DAN KAIBEL
Investment Manager

Our team is comprised of many wonderful individuals. To get better acquainted, we will periodically feature one.

FAVORITE TV Show: West Wing

FAMILY: My brother Ken served in Uzbekistan as an army reserve chaplain in 2003.

PAST: I sold my home in 2004 and moved to the city to do ministry and go to Moody Bible Institute for my bachelors degree.

SURPRISE US: I was a branch manager for a financial services company at age 19.

OUTSIDE OF WORK: I enjoy learning and am now spending quite a bit of time studying for the CFA level 1 exam. I also like spending time in nature and being with friends. My passion is Christian ministry. I am involved in a new church plant.

AT VANTAGE: Research, I've always enjoyed learning the so called, "facts behind the figures." The more I understand about the world and the marketplace, the more value I bring to clients.

I recently visited the home of James Madison and would like to share one of his quotes, "Conscience is the most sacred of all property."

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