

NURSING HOME MEDICAID BENEFITS

Medicaid is a huge benefit that is paying nursing home costs for about 2/3 of our Indiana residents who are living in nursing homes.

Medicaid benefits for nursing home care are a Federal entitlement, meaning that if a person qualifies for this benefit, then the benefits must be paid. As a consequence, there are no waiting lists for those who qualify for Medicaid to pay for nursing home expenses.

There are many candidates running for political office that want to eliminate nursing home Medicaid as a Federal entitlement.

The rules for qualifying for nursing home Medicaid are very complex, and the application process can be very difficult to navigate. All 3 of the attorneys at Voelz Law, LLC are elder law attorneys, who are very familiar with the Medicaid rules and who represent folks in developing asset protection plans and in their applications for nursing home Medicaid benefits.

If you or a loved one have a health failure where expensive nursing home care could become necessary, then it is important to immediately consult with an elder law attorney who is well-versed in Medicaid law to see if a Medicaid qualification plan makes sense.

Many folks believe that Medicare will pay nursing home expenses. However, Medicare will pay for no more than 100 days of nursing home expenses for each “spell of illness” only if you have received at least 3 days of continuous care (not for observation) as an in-patient in a hospital (not counting the day of discharge) and are released to a nursing home for rehabilitation. If there is no Medicare coverage, then the patient must pay the costs which can exceed \$200 per day.

Beware of making gifts if you need Medicaid. All gifts that were made to anyone other than a spouse on or after November 1, 2009 within five (5) years prior to filing the Medicaid application must be reported as a part of the Medicaid application process. However, for gifts made prior to November 1, 2009 the look-back is three (3) years from the date of the gift.

There is a “transfer penalty” that is imposed as a result of making gifts within the applicable look-back period. However, Medicaid does not impose a transfer penalty as long as total gifts do not exceed \$1,200.00 each calendar year.

The transfer penalty is determined by dividing the amount of the gift (the “uncompensated value”) by the “penalty divisor” in effect at the time the Medicaid application is filed. For example, a gift of \$100,000.00 is divided by the penalty divisor of \$5,353.00 (effective 7/1/2012) = a transfer penalty of 18.68 months. This means that the donor cannot receive Medicaid to pay for nursing home expenses for 18.68 months after the person is otherwise eligible to receive Medicaid based upon an approved application for Medicaid but for the imposition of the transfer penalty period and after the person is in a nursing home!

If you may need to qualify for Medicaid to pay your nursing home expenses within 5 years, then you should not make any substantial gifts of money or property to anyone other than your spouse, unless the gifting is recommended by an elder law attorney who knows the Medicaid rules.