

Guidepost for the Aging Network

Tips for those who provide care to the elderly

Medicaid “Makes You” ... “Takes Your”

My clients report to me that they have been told that Medicaid makes you spend down all of your money, sell your home, that Medicaid “takes” your home, etc. As a result, they may lose opportunities to preserve their own assets.

For instance, everyone knows that an applicant can purchase an irrevocable burial plan and that it won't be counted as an asset. This step can reduce the burden that the family would shoulder at the applicant's death by using the applicant's money.

**PLAN AHEAD.
BE
“PROACTIVE.”
TAKE THE
INITIATIVE TO
SAVE EXCESS
RESOURCES!**

What Do the Medicaid Authorities Do?

They review an application and say “yes” or “no” or approved or disapproved. You must present an application that meets the Medicaid criteria. “They” *do not do this for you*. The applicant is permitted to arrange his or her assets so long as he or she meets the Medicaid criteria.

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What Should the Applicant Do?

The applicant must present the “Medicaid Profile.” Applicants may keep all exempt assets such as the home. Single persons are eligible if they 1. are medically eligible, 2. at a Medicaid venue: home, assisted living or nursing home, 3. have \$2,000 or less in counted assets and 4. have made no prior transfers that would cause the applicant to be ineligible. For a married person, in addition to \$2,000, *the community spouse may keep \$104,400* in counted assets.

Act Strategically

For instance, invest in exempt assets: pay for deferred maintenance on the home, pay off the mortgage on the home, purchase the burial plan, etc. Provide more income to the community spouse by using excess resources to purchase a Medicaid qualifying annuity. Save the applicant's and spouse's IRA by converting it from a counted asset to one that is not counted! There are numerous strategies that will make the community spouse more financially secure. The applicant should take advantage of them!