

# Get the help (and protection) that you deserve

Though there are many complexities to Medicaid planning, it's important to understand this: Medicaid is there to help families like yours. Medicaid planning may be your only option to insure that you receive long-term healthcare benefits while protecting your hard-earned assets.

The first step in Medicaid planning is education. The more you know about how Medicaid works, the better you will be able to look out for the interests of your family.

Provided within is a brief look at some aspects of Medicaid law. For more detailed information, it's best to consult with a qualified legal advisor. So think of this as a kind of introduction.

*Let's get started...*

## Contact us...we can help

The best advice we can give you is this: Start planning now. No one knows what the future will bring. The sooner you start preparing for your golden years, the fewer surprises there are likely to be. And planning now can make a big difference for you and your loved ones later on.

Contact us today for a free consultation. We are glad to help.

**OUR ESTATE PLANNING DEPARTMENT**



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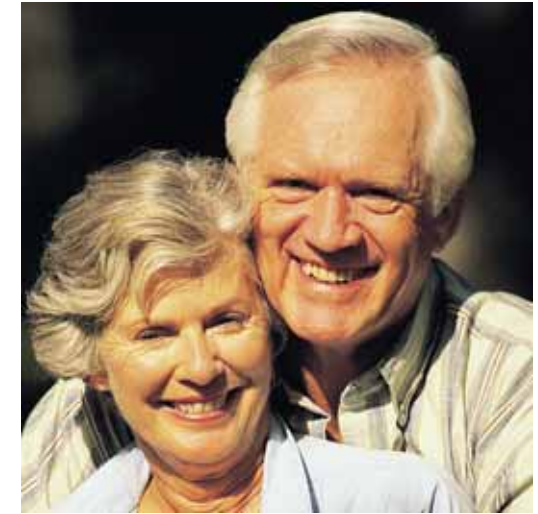
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What  
you need to know  
about

# Medicaid Planning

**AN EASY-TO-USE FAMILY GUIDE**

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## Things to remember

### IT'S NEVER TOO LATE

Medicaid planning can begin anytime, even if your loved one is already living in a skilled care facility. But the sooner you plan, the more options you will have to protect what's important to you.

### YOU CAN KEEP YOUR HOME

If you're married, and you or your spouse needs to go into a nursing home, your home is exempt from Medicaid's calculation of what your contribution to the cost of care should be. If you are unmarried or widowed and you go into a nursing home, your house may be exempt if you follow certain procedures. Planning is key to preserving your home.

### DON'T GIVE AWAY THE STORE

Since major changes to laws in 2006, "gifting" away your assets creates long-term unforeseen circumstances. Rather than protecting yourself, you will be undermining your own security.

### MIND THOSE SAFE HARBORS

Congress has created a number of "safe harbor" provisions for protecting your assets. These provisions exempt certain assets and allow transfers to children or siblings who meet certain eligibility requirements, as well as putting assets in certain kinds of trusts.

### CAREFULLY CHOOSE WHEN YOU APPLY

Applying too early may mean a longer wait for Medicaid qualification than necessary, while applying too late can mean having to pay months of care you may not have had to.

**Rule of thumb: Do not apply for Medicaid without a plan to ensure you qualify.**

### GET THE RIGHT HELP

Medicaid planning is a complex matter. You need expert assistance to keep your assets safe. Be sure to find legal counsel who limits their practice to this area – someone with proven expertise in Medicaid law.

## The asset transfer "box"

Many people believe that if you give your assets away, you must wait 60 months to qualify for Medicaid. This is not the case. The



60 month requirement only applies to the financial disclosure you must provide, not eligibility. Think of it this way: When you go to apply for Medicaid,

imagine you're bringing a box with you. In that box is every financial transaction you've made for the previous 60 months. That is all you need to provide – if you made a transaction 61 months ago, it's not in the box. So 60 months is just the size of the "box"...it's that simple.

However, this has nothing to do with determining your qualification for Medicaid. It is what Medicaid see in the "box" that determines whether you will qualify. If you make the proper planning decisions, you may qualify immediately even if the "box" contains information that might otherwise make you ineligible for Medicaid.

This 60 month period is what is referred to as the Medicaid "look back period." With appropriate planning and expert assistance, you can give yourself the best opportunity to qualify for Medicaid coverage when you need it.

### LOOK-BACK EXCEPTIONS

You can make certain asset transfers without negatively affecting your prospects for timely Medicaid qualification. These include transfers to:

- a spouse
- a child who is blind or disabled
- trusts that solely benefit the applicant or applicant's spouse
- trusts that benefit a blind or disabled child
- trusts that solely benefit a disabled person under the age of 65 (*in some cases, the recipient*)

## Simple planning options

1. If you are married, your home is exempt and cannot be taken if one spouse applies for Medicaid. If you are single or widowed, up to \$500,000 of home equity is exempt. *Transferring your home to your children will result in immediate ineligibility for Medicaid.*
2. A nursing home or hospital that offers to file a Medicaid application for you has no obligation (and often is unable to) advise you on how to protect your assets. Only a qualified Medicaid planning attorney can provide you with the options you need to make an informed decision.
3. Long-term care insurance should always be considered. An annual premium for a couple is usually less expensive than one month of nursing home care. When incorporated with proper planning it may enable you to stay home if you become ill.