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### Why Medicaid Transfer Planning?

Because statistics show:

- 78% of Texas nursing home residents are on Medicaid
- And 90% of these residents are impoverished within 26 weeks!!

# Facts and Myths About Medicaid

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*What **YOU** need to  
know about protecting  
your assets.*



# MEDICAID

## **Facts You Need to Know About Protecting Your Assets**

Today, one of the most stressful problems facing senior citizens who need long term care is the loss of their life savings in paying for nursing home care. Statistics show that 78% of Texas nursing home residents are on Medicaid; 90% of whom were impoverished and on Medicaid in less than 26 weeks! Fortunately, there are federal protections that make impoverishment unnecessary - provided you know the complicated rules for obtaining these protections.

### **1. What is Medicaid?**

A federally funded government program that pays for nursing home care and prescription drugs for persons with a medical necessity who are age 65 (or over), blind or disabled and who meet certain asset and income requirements.

### **2. How can I qualify for Medicaid?**

You must pass 2 tests: an "assets test" and an "income test".

### **3. In order to pass the "assets test", is it necessary that all of my assets be used to pay nursing home expenses before I will be eligible for Medicaid?**

No! Contrary to popular belief, in most cases, a large portion of your assets can be protected.

### **4. What if my income is too high, so that I don't pass the "income test" - can anything be done?**

Yes! A Qualified Income Trust (also called a "Miller Trust") can be prepared to solve this problem.

### **5. I have heard that in order to protect my assets I should have acted 60 months before entering a nursing home. Is that correct?**

No! Although there is a "60 month look-back rule", usually there are numerous other legal methods that are available to protect your assets *even if you are already in a nursing home.*

### **6. I have a homestead, may I keep it and still qualify for Medicaid in a nursing home?**

Yes. You are allowed to have a homestead (urban or rural) and still be eligible for Medicaid. However, there is an "estate recovery law" that may allow the State of Texas to force a sale of your home (and reimburse the state for Medicaid service) when you die.

### **7. What is the most important thing to remember about Medicaid and long term care in a nursing home?**

The most important thing to remember is that in the vast majority of cases a very substantial portion of your assets can be protected. But you must take action to protect those assets.

### **8. Who should I see to help me plan the most efficient way to protect my assets?**

You should confer with an attorney who is experienced and qualified to advise in this highly specialized, technical area of law.