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## **Medicaid Planning – Important Points To Consider**

**Proper Medicaid Planning can serve to protect many of the hard earned assets that you have accumulated over the course of a lifetime. These are some things that you should consider:**

- Medicaid considers only certain items in determining eligibility for benefits, for example your residence is generally not considered a countable asset, and neither are household furnishings or most tangible personal property (such as jewelry, etc...)
- A personal residence will often be considered a non-countable asset for Medicaid eligibility as long as you indicate during the application process that you intend to return to the home. You should always seek assistance during the application process.
- Gifts of personal property (furnishings, televisions, home improvements, etc...) to friends and relatives may be allowable for purposes of becoming Medicaid eligible – but again consult an expert before taking any steps.
- Medicaid does have the right to recover the funds it has paid for your care after your death by filing a claim on your probate estate. As such, if you have sufficient time you may want to consider a transfer of your residence to another family member while retaining a life estate.
- If you are married, Medicaid will allow the healthy spouse to keep certain assets. The specific amount is often dependent on the particular circumstances, and can often be increased by appealing Medicaid's initial decision.

- You cannot simply transfer assets to your children or others to become eligible. Medicaid will look back five years from the time of your application. Mistakes in transfers during the five year period could result in an extended period of ineligibility – often time extending well beyond five years – there is no cap on the period of ineligibility. The particular period will depend upon the value of the transfer.
- If you begin to plan early enough, and the circumstances are proper, you may be able to consider long term care insurance, reverse mortgages or annuities to preserve your assets
- The earlier you begin to plan the more assets you are likely to preserve, however, even at the time of application there are some things that can be done to assist in preservation of assets.
- Proper Medicaid planning also requires that you have other estate planning documents in place, particularly a will and the durable power of attorney (which is of particular importance should you become incapacitated during your nursing home stay).