

What You Should Know about Medicaid

Q: What is Medicaid?

A: Medicaid is a federally designed, state-administered welfare program that pays for medical care for qualifying low-income and needy individuals including the aged (over 65), blind and disabled.

Q: If I go into a nursing home, will Medicaid take all my money?

A: Medicaid is set up to help people pay bills, not to take their money. If you have ample resources, you pay the nursing home for your care. If, however, your resources drop below a certain level, you may qualify for Medicaid. Medicaid pays the bills when you cannot afford to pay for yourself.

Q: Does Medicaid cover assisted living?

A: Only in limited situations. Medicaid primarily pays for nursing home care and limited home care through the PASSPORT Waiver Program. New legislation has expanded the Waiver programs to include limited, approved assisted living placements.

Q: How much money can I keep and still qualify for Medicaid?

A: As a Medicaid recipient, you cannot keep more than \$1,500 in cash. You also may keep certain “exempt” assets, including personal property, burial plots and irrevocable (non-refundable) funeral plans.

Q: Do I have to sell my house to get nursing home coverage from Medicaid?

A: You may keep your home for 13 months after you enter the nursing home as long as you intend to return there. Also, your home will be protected so long as it is occupied by your spouse, your disabled child or a sibling with an equity interest who has lived in the home for more than one year right before you went to the nursing home. If you receive Medicaid through the PASSPORT Waiver Program, you will be able to continue to live in your house. If your house is still in your estate at your death, the state will have a right to recover whatever was spent on your care from the proceeds when your house is sold.

Q: What about my spouse? Will she have to spend all of her money if I go into a nursing home?

A: No. Your spouse may keep exempt assets (your house, one car, personal property, burial plots and pre-paid funerals) as well as half of the other countable assets with a minimum of \$23,184 and a maximum of \$115,920 (both effective Jan. 1, 2013). Your spouse also may get to keep part of your monthly income if her own income is less than \$1,819.25 per month (effective July 1, 2012). In special circumstances, she may qualify to receive even more of your assets and income.

Q: Is it true I cannot qualify for Medicaid for five years if I give money to my children?

A: Gifts made within the 60 months before applying for Medicaid may be penalized. The penalty period (during which you cannot get Medicaid) is based on the number of months you could have paid for nursing home care had you kept the money. The average cost of care in Ohio now is

\$6,114 per month. So, for every \$6,114 you give away, you must wait one month before qualifying for Medicaid. Thus, a gift of \$61,140 would disqualify you for 10 months (\$61,140 divided by \$6,114 = 10).

Q: Can't I just hide my money?

A: If you do, you will be breaking the law. When you apply for Medicaid, you must disclose all of your assets that can be used to pay for your care. If you do not disclose money that you have hidden under your mattress, put in an out-of-state bank account or invested in an annuity, you are committing welfare fraud, a criminal offense. Be wary of anyone offering to sell you an investment that will "hide" money from Medicaid. The Department of Job and Family Services, which administers Medicaid, regularly checks applicants' tax records and discovers those "hidden" assets.

Q: Where can I go for help in dealing with Medicaid?

A: Medicaid rules are complicated and change quickly. Individual circumstances differ. Be sure to consult a knowledgeable attorney for help in formulating an asset protection plan.

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This "Law You Can Use" consumer legal information column was provided by the Ohio State Bar Association. It was prepared by Munroe Falls attorney Marta J. Williger.



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