



## **Ten Common Myths of Medicaid**

### **Medicare Will Pay for My Care**

It is a common myth that Medicare, the government health insurance program for our seniors when they become 65 years old, will pay for Long Term Care. That is incorrect. Medicare will not pay for Assisted Living or Nursing Home. Medicare will pay for up to 20 days in a Rehabilitation Center, and from day 21 to 100 Medicare will pay 80% of the cost. Following day 100, then Medicare does not pay at all for a Rehabilitation Center.

### **Medicaid Will Take My Home**

An individual on Medicaid is entitled to have a homestead property, as long as the equity is less than \$572K. If the homestead is subject to probate then Florida Medicaid would place a Medicaid lien on the homestead property. There is a Medicaid Deed to prevent this disastrous occurrence.

### **I Can Give Away My Assets and Apply For Medicaid**

Medicaid prevents an applicant from simply gifting their assets to their loved ones and then applying for Medicaid. Medicaid prevents this through the much discussed Five Year Look Back Period. A Medicaid Strategy drafted by an Elder Law attorney could save most if not all of the money for the family while enabling the individual to apply for Medicaid.

### **I Can Still Gift Up To \$15,000 Per Year Tax Free**

People often confuse various government agency guidelines. So, the IRS allows us to gift up to \$15,000 per year without incurring a tax penalty. That is very different than gifting issues for Medicaid purposes. You can not gift assets, even if they are within the IRS guidelines, if you are planning on applying for Medicaid, which prohibits an individual from gifting away assets and then applying for Medicaid.



### **I Have Too Much Income To Qualify For Medicaid**

The income limit is \$2313 of gross monthly income to qualify for Medicaid. However, if an individual's income is greater than \$2313, then a rather simple solution exists. A Qualified Income Trust is utilized to siphon off the income greater than the limits. The siphoned income could be used for services of the individual, while making the individual Medicaid eligible.

### **I Must Use All Of My Money Before I Can Apply For Medicaid**

In reality, the better solution is to create a Medicaid Spend Down Strategy with an Elder Law Attorney, and apply for Medicaid. Through a tailored Medicaid strategy most if not all of the money could be saved as a legacy for the family.

### **Only A Small Portion of Facilities Will Accept Medicaid**

Nearly every Nursing Home accepts Medicaid. However, not every Assisted Living Facility accepts Medicaid. A well versed senior placement advisor would help you find the right Assisted Living Facility for mom or dad.

### **Medicaid Facilities are Dumps**

Due to the high cost of a Nursing Home, the average is \$10,200 per month, nearly every single Nursing Home accepts Medicaid. As such, you would be very surprised to know that the really nice facility that you love, most likely also accepts Medicaid.

### **Medicaid Will Make My Spouse Poor**

As a spouse of a Medicaid applicant, the spouse is entitled to keep \$123,600 of the assets, as well as the homestead. Medicaid is not interested in impoverishing the community spouse. If there are more than \$123,600 of countable assets then we employ various strategies, including a Spousal Refusal.



### **The Application Process Is Too Long**

The application process is a little different for an Assisted Living Facility than for a Nursing Home. Depending on various circumstances, the Assisted Living Facility application could take up to a year, while the Nursing Home is generally two to four months. It is never too late to perform Medicaid Planning. The lesson to be learned is that the sooner you start the process the better. Medicaid no longer pays the family back for monies spent on the Nursing Home for up to three months. The maximum now is one month!

Elder Law is a unique area of law. It requires an extensive knowledge of Estate Planning, Special Needs Trusts, Supplemental Needs Trusts, Medicaid Planning, Guardianship, and Probate. We provide a counseling oriented approach to Elder Law that enables the client to fully understand the complex issues of Elder Law and together arrive at the best possible solution for the client and the family.

We have a holistic approach to Elder Law including a team approach with Geriatric Care Managers, Senior Placement Professionals, Home Healthcare Agencies, and other senior services.