
FREQUENTLY ASKED QUESTION ABOUT NURSING HOME COSTS AND MEDICAID ELIGIBILITY



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In a multiple part series, Mr. Longstreet will discuss the most common questions he encounters regarding nursing home costs and the Medicaid program. He can be reached at 269-945-3495 or rlongstreet@siegelhudson.com.

Historically, attorneys have been asked to provide estate planning advice regarding two areas: probate and estate tax avoidance. With many of our clients spending a large portion of their estate on nursing home care, a third area of estate planning has emerged at Siegel, Hudson, Gee & Longstreet: Long Term Care Planning. With clients facing the extraordinary emotional and financial demands associated with long-term care, we seek to provide reliable advice regarding this complex area of the law.

Frequently Asked Question: I thought I couldn't qualify for Medicaid until I sold all of my assets?

This is surely the most commonly misunderstood issue when it comes to long term care planning. Michigan regulations make it clear that certain assets you (and your spouse) may own are considered "exempt" and not counted in determining an applicant's eligibility for Medicaid. For example, your homestead is categorized as an exempt asset. A *homestead* is where a person lives or intends to return in the future and includes all contiguous farm land. Regardless of its value, the homestead is exempt

for Medicaid eligibility purposes. Personal and household goods, one car, and certain pre-paid funeral contracts are also considered exempt and not counted in determining your eligibility for Medicaid.

If you are married and applying for Medicaid, your spouse is entitled to keep the above mentioned exempt assets plus an additional amount of countable assets and still qualify for Medicaid. The actual amount of countable assets that the spouse may keep in 2003 is the greater of \$18,132 or half of the countable assets the couple had when the Medicaid applicant was institutionalized, but no more than \$90,660.

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