

# How To Protect Your Parent's Assets and Qualify for Medicaid

---

## What Happens If Your Parent Needs to Go into a Nursing Home?

Life can change in an instant. One day, your parent is independent and managing well. The next, they may need 24/7 care in a nursing home. The biggest concern for most families is: How will we afford this?

## The Reality of Nursing Home Costs

Nursing homes in Florida are expensive. On average, a semi-private room can cost around \$8,000 - \$10,000 per month. Many families assume Medicare will cover this, but Medicare only pays for short-term stays after a hospital visit and does not cover long-term care. This means many families are left scrambling to find ways to pay out of pocket or risk losing everything.

## What Is Medicaid & How Can It Help?

Medicaid is a government program that helps low-income individuals, including seniors, pay for medical expenses, including nursing home care. Unlike Medicare, Medicaid covers long-term care costs. However, qualifying for Medicaid isn't automatic, and the rules can be complex.

---

## CONTACT US

**TELEPHONE: (305) 836-4697**

**E-MAIL: [Support@ElderlyCareLawFirm.com](mailto:Support@ElderlyCareLawFirm.com)**

**Website: [www.ElderlyCareLawFirm.com](http://www.ElderlyCareLawFirm.com)**

## Common Myths About Medicaid Planning

### ***Myth #1: "We Have Too Much Money to Qualify for Medicaid"***

Many people believe they have too many assets to qualify, but Florida law allows certain exempt assets (things Medicaid won't count), such as:

- Your home, if your parent intends to return or if a spouse lives there.
- One vehicle for transportation.
- Personal belongings like furniture and jewelry.
- Prepaid funeral plans and burial plots.

### ***Myth #2: "We Can Just Give Away Assets to Qualify"***

Giving away money or property right before applying for Medicaid can cause penalties, delaying when Medicaid will cover nursing home costs. Medicaid has a 5-year "look-back" rule, meaning they check financial transactions over the past five years. If they find improper transfers, your parent may have to pay out of pocket for months or years before Medicaid will help.

Unfortunately, many people get bad advice about transferring their assets to qualify for Medicaid. Some well-meaning friends, family members, or even financial advisors suggest simply giving everything away to a child or trusted relative. However, this strategy can backfire, resulting in Medicaid penalties, tax consequences, and even family disputes.

For example, if a parent transfers their rental property to their child and the child later faces financial troubles, creditors could come after the home, leaving the parent with nowhere to live. Or, if the child gets divorced, the house may become part of the divorce settlement. Planning with an experienced elder law attorney can help avoid these unintended consequences.

### ***Myth #3: "If My Parent Goes into a Nursing Home, the Government Will Take Their Home"***

This is not entirely true. In Florida, Medicaid does not force the sale of a home while the person is alive. Florida's homestead protections prevent the state from taking the primary residence in most cases. However, there are exceptions. If the home is rented out, it may lose its homestead protection and be considered a countable asset for Medicaid purposes. Additionally, after the person's passing, Medicaid may seek estate recovery, which could put the home at risk if proper planning isn't in place.

### ***Myth #4: "Applying for Medicaid Is Simple and Can Be Done Without Professional Help"***

Many people believe they can navigate the Medicaid application process on their own without assistance from an expert. However, Medicaid rules are complex and frequently change. A single mistake on an application—such as incorrectly reporting income, not properly documenting assets, or missing critical deadlines—can lead to delays, denials, or even penalties.

For example, a family might think they can simply spend down assets to qualify, but if not done correctly, this could result in a Medicaid penalty period where benefits are delayed for months or even years. An elder law attorney can help ensure that all paperwork is completed accurately, assets are structured properly, and the application is submitted in compliance with Florida's Medicaid rules.

## **Myth #5: "Medicaid Planning Is Only for the Poor"**

Many people believe that Medicaid planning is only for those with very few assets or low income. In reality, Medicaid planning is for anyone who wants to protect their hard-earned savings while ensuring they receive the care they need.

Without proper planning, even families with substantial assets can find themselves spending everything on long-term care until they qualify for Medicaid through a "spend-down." Strategic Medicaid planning helps preserve wealth for a spouse, children, or other beneficiaries while ensuring the applicant meets Medicaid eligibility requirements.

For example, a couple may have significant savings but want to ensure the healthy spouse can continue living comfortably while the other spouse enters long-term care. A Medicaid-compliant annuity or trust can help achieve this goal without jeopardizing eligibility.

### **How to Protect Your Parent's Assets & Qualify for Medicaid**

Medicaid planning involves strategic legal steps to help your parent qualify for Medicaid without losing everything. Here are some options:

#### **1. Medicaid-Compliant Asset Transfers**

Certain transfers are allowed under Medicaid rules, such as transferring assets to a spouse or a disabled child. An elder law attorney can help structure these transfers to comply with Florida Medicaid rules.

#### **2. Setting Up an Irrevocable Trust**

An irrevocable trust is a legal tool that allows assets to be protected from Medicaid's look-back period and future estate recovery. Unlike a revocable trust, once assets are placed in an irrevocable trust, they no longer count as your parent's assets.

For example, John, a retired firefighter, placed his home in an irrevocable trust five years before applying for Medicaid. Because of the timing and the nature of the trust, his home was protected from Medicaid recovery and remained in the family for his children to inherit.

#### **3. Medicaid-Compliant Annuities**

A Medicaid-compliant annuity can help convert countable assets into a stream of income for a spouse, ensuring they have financial stability while the other spouse qualifies for Medicaid.

#### **4. Personal Care Agreements**

Instead of gifting money to family (which Medicaid penalizes), a personal care agreement allows family members to get paid for providing care, legally reducing assets while following Medicaid rules.

For example, Susan moved in with her elderly mother and provided full-time care for three years. Instead of simply giving Susan money, her mother created a formal personal care agreement that allowed her to pay Susan for her caregiving services while reducing her countable assets for Medicaid eligibility.

## **More Medicaid Planning Strategies**

The planning techniques mentioned above are just a few examples of how families can protect assets while securing Medicaid eligibility. Other legal strategies, such as spousal refusal, pooled income trusts, and life estate deeds, can be effective in specific situations. Every family's situation is unique, which is why consulting an elder law attorney is so important.

### **Why You Should Plan NOW, Not Later**

Medicaid planning isn't just for seniors who need care right now. The sooner you plan, the more options you have. Waiting until a crisis happens can leave you scrambling, leading to stressful decisions, financial losses, and unnecessary penalties.

### **Take the Next Step - We're Here to Help!**

Navigating Medicaid rules and protecting your parent's assets can feel overwhelming, but you don't have to do it alone. At Elderly Care Law Firm, we specialize in Medicaid planning and elder law to ensure your loved one gets the care they need without losing everything.

Call us today at **(305) 836-4697** to schedule a case evaluation. Let us help you secure peace of mind and a plan that works for your family's future!

YDisclaimer: This guide provides general information on Medicaid planning in Florida and does not constitute legal advice. Laws and regulations may change, so consult an elder law attorney for personalized guidance