ELDERLY CARE LAW FIRM
COMPASSIONATE, GENERATIONAL LEGAL SERVICES

FAQs About Medicaid Planning in Florida

Medicaid is a complex program, and many families struggle to understand how it works, what the rules are, and whether they qualify. The good news is that you don't have to figure it out alone. Below, we answer some of the most common questions about Medicaid planning in Florida, so you can make informed decisions about your loved one's care.

1. What is Medicaid, and how can it help my loved one?

Medicaid is a government program that provides health care for people with limited income and resources. In Florida, Medicaid can help pay for a nursing home, home health care services, assisted living, and other services which can be incredibly expensive. Without Medicaid, many families would have to spend their entire life savings to afford care.

Most people don't realize that Medicaid is different from Medicare. While Medicare is a federal program that helps with hospital bills and doctor visits, it does not cover long-term nursing home care. That's where Medicaid comes in—it can cover nearly all the costs of nursing home care for those who qualify.

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2. Can Medicaid take my house if my parent goes into a nursing home?

This is one of the biggest concerns families have, and the good news is that Medicaid does not take your home while your parent is alive.

In Florida, if your parent lives in their home, it is usually considered protected and not counted as an asset when applying for Medicaid. Even if they move into a nursing home, the home may still be protected as long as:

- They intend to return home (even if it's unlikely).
- Their spouse, a dependent child, or a disabled family member is living in the home.

However, Medicaid does have a rule called estate recovery, which means that after your parent passes away, the state may try to collect money from their estate to pay back what Medicaid spent on their care. There are legal ways to protect the home from estate recovery, but it's important to plan ahead.

3. Can I just give all my money to my kids so I can qualify for Medicaid?

No, Medicaid has strict look-back rules. If you give away money or property within five years before applying for Medicaid, it can cause a penalty period—meaning you won't qualify for Medicaid for a certain amount of time.

However, that doesn't mean you have to spend everything. There are legal ways to protect assets and still qualify for Medicaid, such as:

- Using a Medicaid Asset Protection Trust
- Paying off debts or making home improvements
- Purchasing certain types of annuities
- Setting up a Qualified Income Trust if income is too high

The key is proper planning—waiting until the last minute to apply for Medicaid can lead to financial stress and loss of assets that could have been protected.

4. How much money can you have and still qualify for Medicaid?

As of 2025, in Florida, a single person applying for Medicaid for nursing home care cannot have more than $2,000 in countable assets. This includes money in the bank, stocks, bonds, and other financial resources.

However, some assets are not counted, such as:

- Your primary home (if it's worth under a certain limit and you intend to return)
- One vehicle
- Prepaid funeral plans
- Certain life insurance policies

If you have more than $2,000, don't assume you won't qualify. An elder law attorney can help structure your assets legally so you can still get Medicaid.

5. What if my spouse needs Medicaid but I don't? Will I lose all our money?

No! Medicaid has rules that protect spouses when one needs care and the other stays at home.

The spouse who does not need Medicaid is called the community spouse, and they are allowed to keep a portion of the couple's money and income. This includes:

A protected amount of assets (known as the Community Spouse Resource Allowance).
A portion of their spouse's monthly income if their own income is low.
These numbers change each year, so it's best to check with a Medicaid planning attorney to see how much the community spouse can keep.

6. My parent is already in a nursing home. Is it too late to apply for Medicaid?

No! Many people think they have to spend all their money first before applying for Medicaid, but this is a common myth. Even if your loved one is already in a nursing home, there are legal ways to protect some assets and get Medicaid faster.

For example, an attorney can help:

- Set up a Qualified Income Trust (QIT) if your parent's income is too high.
- Transfer assets legally to a spouse or disabled child.
- Convert countable assets into non-countable ones.

The sooner you talk to an expert, the better the chances of saving money and getting care covered.

7. What is a Medicaid Asset Protection Trust?

A Medicaid Asset Protection Trust (MAPT) is a special type of trust designed to protect assets from Medicaid's spend-down rules.

- Assets placed in the trust are not counted by Medicaid.
- You must set up the trust at least five years before applying.
- You cannot control the assets once they are in the trust (a trustee does).
- This strategy works well for families who want to plan ahead and protect their home or savings for future generations.

8. Will Medicaid pay for home care instead of a nursing home?

Yes! Florida has Medicaid programs that help pay for caregivers at home so your loved one doesn't have to move into a nursing home. These programs include:

Florida Medicaid Waiver Programs – Helps pay for in-home caregivers, adult daycare, and assisted living.
PACE Program – Provides medical and home care services for seniors who qualify.

But be aware—there is often a waiting list, so early planning is key.

9. What happens if my income is too high for Medicaid?

If your income is above Medicaid's limit, you may think you won't qualify—but that's not true! Florida allows you to use special legal tools to bring your income down so you can still get Medicaid coverage.

Option 1: Qualified Income Trust (QIT) – Also Called a Miller Trust

A Qualified Income Trust (QIT) is a special type of bank account that helps people whose income is too high for Medicaid but too low to afford nursing home care.

Here's how it works:

- Each month, you deposit your extra income into the trust.
- The money in the trust can only be used to pay for your care (like your nursing home bill or health insurance).
- Since Medicaid doesn't count money in a QIT, you become eligible for benefits.

The QIT must be set up properly, and you'll need a trusted person (a "trustee") to manage it.

Option 2: Pooled Trust – A Special Solution for People Over 65

If you're 65 or older and have too much income or assets for Medicaid, you might qualify for a pooled trust.

A pooled trust is a special type of trust managed by a nonprofit organization. It helps people protect extra income while still getting Medicaid.

Here's how it works:

- You deposit extra income or savings into the pooled trust.
- The nonprofit manages the money and uses it for your needs (like medical expenses, therapy, or even personal items).
- Since the money is in the trust, Medicaid doesn't count it, and you can qualify for benefits.

Why choose a pooled trust instead of a QIT?

- A QIT only helps with income, while a pooled trust can protect both income and assets.
- A pooled trust gives more flexibility—you can use it for extra expenses Medicaid doesn't cover.
- It's a great option for single seniors who don't have a spouse or family member to help manage their money.

Which option is right for you?

Every family's situation is different. A Medicaid planning attorney can help you decide whether a QIT or pooled trust is the best choice for your needs.

10. Isn’t Medicaid planning expensive?

Many people worry that hiring a Medicaid planning attorney will cost too much money, but the truth is Medicaid planning can actually save you thousands of dollars in the long run. Without proper planning, families often end up paying $8,000 to $12,000 per month for nursing home care until all their savings are gone.

Here’s the good news*:* The legal fees for Medicaid planning can be paid from the assets of the person applying for Medicaid—as long as it’s done correctly.

How Does That Work?

- Medicaid allows applicants to spend their money on legal and financial planning before applying.
- This means the Medicaid applicant can use their own funds to pay for an elder law attorney’s services.
- This type of spending is not counted as a "gift" or penalty under Medicaid rules.

Since Medicaid has strict rules, working with an attorney can help protect assets legally while making sure you qualify for benefits faster and with fewer mistakes.

Why Is Medicaid Planning Worth It?

- Avoid spending your entire life savings on care
- Protect your home and assets for your spouse and family
- Get approved for Medicaid faster with fewer delays
- Ensure you meet Medicaid’s strict rules without costly penalties

Instead of looking at Medicaid planning as an extra cost, think of it as an investment that helps families keep their hard-earned money while making sure their loved ones get the care they need