

Protecting Mom & Dad's assets (and your inheritance) from Nursing Home costs

Planning for the care of your parents while trying to preserve their assets is often called "Asset Protection Planning" or "Medicaid Estate Planning," topics that concern many baby boomers who desire to find quality care for their parents without draining their parents' bank accounts and liquidating their parents' assets.

The most desirable scenario is that years before care is needed, your parents obtained long term care insurance policies that will pay for most, if not all, of your parents' nursing home care. As with all insurance, however, long term care insurance is a solution only if it is purchased years before it is needed.

If your parents do not have long term care insurance, planning options are very limited when the need for nursing home care arises. At that time, nursing home costs will have to be financed by privately paying for them until the assets are spent down, because private health insurance and Medicare do not pay for a long term stay in assisted living or a nursing home. Once the assets meet the minimum financial guidelines and other requirements are satisfied, Medicaid, which is government assistance, will pay for skilled nursing home care and, possibly, some living care.

Because a person's assets must be nearly depleted before a person will qualify for Medicaid, some parents decide to give their assets to their children to reduce the parents' countable resources. Medicaid, however, enforces strict rules regarding gifts that can have disastrous consequences for Medicaid eligibility if the rules are violated. For this reason, we do not suggest "do-it-yourself" Medicaid estate planning.

The time to start planning for your parents' nursing home care is now. Contact us so that we can help you and your parents with this essential planning.