

# 'Home-grown' Advice about Medicaid May Cause Harm

By [Wesley E. Wright](#) and [Molly Dear Abshire](#), as published in the Houston Chronicle Senior Living Section on April 16, 2014.

Far too often elder law attorneys hear from clients that they "heard" they would have to spend all of their money before seeking Medicaid eligibility, or that they assumed Medicaid is a "welfare program" only for the poor. So they spent much of their life savings taking care of their loved one at home, to their own physical, psychological and financial detriment before eventually having to apply for long-term care Medicaid anyway.

Unfortunately this happens to too many people. Without seeking counsel from an experienced elder law attorney, families often follow "home grown" (well-intended but erroneous) advice from sources in their community. Here are some examples:

- A family gives away all of their assets, thinking this will automatically make them Medicaid eligible but later find out that this has disqualified them for Medicaid.
- An adult child sells her parents' home and spends all of the proceeds on full-time care for them in her own home
- A spouse of an Alzheimer's patient applies for nursing home Medicaid benefits but is turned down because the applicant has too much monthly income, and he thinks there's nothing else he can do.
- A couple married for 50 years believe they will have to divorce in order to attain nursing home Medicaid for the incapacitated spouse.

In all of these instances, an elder law attorney could help overcome the hurdles preventing Medicaid eligibility.

Although Lyndon B. Johnson signed Medicaid, which was then a welfare program, into law in 1965, Congress has changed it many times throughout the years. Now, it is a mainstream, middle-class program that helps a range of persons, from those with low assets to those who may have substantial assets and income.

Many people believe that simply owning a home disqualifies them from attaining Medicaid benefits. However, in Texas, a single person can own a home of substantial worth, and a married couple can own a home of unlimited value.

Spending down is a term many people think is the way to Medicaid eligibility, but they don't know that there is a right way and a wrong way to "spend down."

Even when you have already used up all of your assets, there may be something you can do to get reimbursed from Medicaid, as well as to protect your homestead from Medicaid Estate Recovery.

Medicaid is an extremely difficult area of law and the rules change often. When caregiving for an elderly loved one who now requires 24-hour care, the last thing you want to do is make an unintentional

mistake when applying for assistance and potentially create a penalty period during which you will have pay out of pocket to the tune of up to \$5000 or more per month.

When people know the facts, they're better suited to make prudent choices when it comes to caring for an incapacitated loved one. Don't rely on "home grown" information. Get the facts about long-term care Medicaid benefits from an experienced, certified elder law attorney before it is too late to protect your loved one's life savings.