

Top 10 Medicaid  
**MYTHS**  
**BUSTED**

The Medicaid program is our country's largest health and long-term care insurer, covering one in six Americans, including two-thirds of nursing home residents and one in five persons under 65 with chronic disabilities. A look at the facts about Medicaid uncovers many common misconceptions about the program that are simply myths. Today, we will take a look at and dispel some of myths about exactly who qualifies for Medicaid, what coverage it provides, and how you can plan for long-term care for yourself or for a loved one.



**Myth #1 "Medicare Will Cover my Nursing Home Expenses."**

It is important to understand that Medicare, the public health insurance system for seniors over 65 and disabled adults, **DOES NOT PAY ONE PENNY FOR LONG-TERM CARE.** Medicare only pays for medical care delivered by doctors and hospitals, and in certain cases short-term rehabilitation which might take place in a nursing home. Medicare covers, at most, 100 days of short-term rehabilitation, and does not cover help with activities of daily life, such as eating and bathing, that an older adult can need for years.

**Myth #2 "Medicaid is for Poor People."**

Medicaid does serve as a program for millions of low-income Americans, but it also benefits many middle class seniors, primarily by covering the catastrophic costs of nursing-homes so families don't have to deplete the assets it took a lifetime for them to earn.

**Myth #3 "Medicaid Planning is Not Ethical."**

A great way to insure that everything is absolutely, unquestionably, 100% legal and ethical is to hire a Lawyer who specializes in Elder Law and Medicaid Planning. Attorneys in general have the highest ethical rules of any profession, and as a member of NAELA and an Elder Law Attorney, they serve with the highest ethical standards.

**Myth #4 "I Have to Dispose of all my Resources to get Medicaid"**

While in general a Medicaid applicant can have no more than \$2,000 in assets to in order to qualify, there are many assets that do not count toward this limit, and with good legal representation you DO NOT have to go broke in order to get Medicaid. A married couple can legally and ethically protect assets for the spouse still living at home and avoid a "Medicaid Divorce" to qualify.

**Myth #5 "To Qualify for Medicaid, you Should Transfer your Money to your Children."**

By transferring assets within five years of your benefits application; you may disqualify yourself from receiving Medicaid benefits. In fact, you will be assessed a transfer penalty which is a period of ineligibility for Medicaid.

**Myth #6 "Once I am in a Nursing Home it is too Late to Start Medicaid Planning."**

Medicaid planning can be started while you are still able to make legal and financial decisions, or can be initiated by an adult child acting as agent under a properly-drafted Power of Attorney, even if you are already in a nursing home or receiving other long-term care assistance.

**Myth #7 "If my Assets are Owned by a Revocable Living Trust, They are Protected from Nursing Homes."**

A Revocable Living Trust (RLT) generally provides for the creator of the trust (and, if applicable, the creator's spouse) to have full use of the trust income and principal for life. On the death of the creator, the assets may continue to be held in trust (or may be distributed) for the benefit of the named beneficiaries, such as the grantor's children.

The major benefits of the RLT are protection from probate and incapacity. Although an RLT does a terrific job of avoiding probate, what most people don't realize is that an RLT does not protect your assets from creditors or from the expenses of long-term care. The proper planning tool is a unique trust called an Irrevocable Medicaid Trust.

**Myth #8 "I will get Better Care if I Private Pay."**

**It is illegal to treat Medicaid patients differently than private pay patients and it is illegal to discriminate against Medicaid patients. There may be no "Medicaid wing" and no public identification of a "Medicaid bed." Typically, the staff does not know which patient is a Medicaid recipient. The practice of Elder Law Attorneys is all about preserving dignity and quality of life for Elders.**

**Myth #9 "The Rules that Applied to my Friend will also Apply to me."**

**Medicaid rules change frequently, and the rules also vary from state to state. There may also be facts about the friend's situation that the applicant does not know, and these facts may result in implementing different strategies than those that apply to the Medicaid applicant's situation**

**Myth #10 "I don't Need any Help."**

**Medicaid laws are the most complex and confusing laws in existence, and impossible to understand without highly experienced legal assistance. Without proper planning and legal advice from an experienced elder law attorney, many people spend much more than they should on long-term care, and unnecessarily jeopardize their future care and well-being, as well as the security of their family.**

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