

Medicaid Information

Introduction

Medicaid is a federally and state funded program that pays for certain health care benefits, including nursing home benefits for persons who qualify for the program. In Maryland the program is called Maryland Medical Assistance for Long Term Care and is administered by the Maryland Department of Health and Mental Hygiene. It is separate from Medicare, which is a Federal entitlement program. Medicare pays very little in the way of nursing home care. Medicare covers less than 2% of nursing home costs in the United States. Also, health insurance and health maintenance organizations do not pay for long-term care. Each state has different requirements and rules for the state Medicaid program.

Do not assume that anything stated here will apply in a state other than Maryland. Also, the rules change from time to time and it is best to consult an Elder Law Attorney to be sure that the information you receive is completely up to date.

The cost of long-term nursing home care in Maryland today can run from \$6,000 to more than \$10,000 a month. Personal income and assets can be quickly used up when extensive long-term care is needed at such a high cost to the individual and the family. More and more people are concerned about what will happen to them and their family if they need extensive long-term care.

Eligibility for Medicaid

Medicaid is not an entitlement program. There are special and complicated rules for qualification. Once a person is qualified for nursing home care under the Maryland Medicaid program, nursing home, doctors, medications, supplies, and many other health care services are covered by the program. Additionally, under State of Maryland waiver programs, assisted living and care in the home may be covered.

For an individual to be eligible for Medicaid, that person must meet eligibility standards and eligibility is determined at the county level. If an individual qualifies medically and meets the citizenship and/or residency requirements, then that individual needs to meet income and asset requirements.

Income Limits for Nursing Home Medicaid

Maryland will cover nursing home costs and related medical expenses for an individual whose income is insufficient to pay the costs, provided the asset requirements, discussed below, are met.

Maryland will require that the individual's entire income be paid to the nursing home except for \$68.00 a month for personal expenses.

Additionally, if a person is married, the spouse who is not in the nursing home may keep all of his/her own income. If the community spouse's income is less than \$1,712.00 a month, the community spouse can access enough of the ill spouse's income to have a total income of up to \$2,610.00 per month. There are techniques available in Maryland to convert assets to income streams and by so doing, increase income without penalties.

Asset Limits for Nursing Home Medicaid

A person must have minimal assets to qualify for nursing home Medicaid. Assets are divided into two categories. These categories are exempt assets and countable assets. Exempt assets include a personal residence (under certain circumstances) \$2,000; a bonafide funeral and burial plan (no limit on value); a burial plat (no limit on value); cash value in life insurance with face value of less than \$1,500; automobiles (no limit on number or value); and engagement and wedding ring; and some other necessities. For the year 2008, if a person is married, the spouse who is still in the community may keep up to \$104,400.00 of assets in addition to other countable assets. There are ways available in Maryland to convert legally countable assets to exempt assets.

Transfer Penalties

Often people want to give assets away to qualify for Medicaid. This must be done with a great deal of care and a clear knowledge of how the Medicaid system works in Maryland. If transfers are made, they should be done in compliance with the Medicaid law. There are look-back periods in which transfers can trigger a penalty period during which a person will be disqualified for Medicaid, perhaps for a very long time. There are criminal penalties for making transfers that are found to be fraudulent.

Liens on Residences

Although the individual's home may be an exempt asset, under many circumstances the state will place a lien on the home to collect for the Medicaid paid for the care of that individual. Here at the Law Offices of Scott Alan Morrison, we will know various ways that the home property can be protected from the lien.

Medicaid Denials

It is always best to plan in advance so that a Medicaid application will be successful. However, denials can be appealed. If you are denied Medicaid on an application, do not assume the denial is correct. Contact the Law Offices of Scott Alan Morrison.

Visit <http://www.samlawoffice.com> to learn more about The Law Office of Scott Alan Morrison, P.A. and for additional information on Medicaid and Estate Planning.