

How New York Medicaid Looks at Your “Homestead”

Medicaid



The Medicaid Chronic Care program in New York State has developed a bad reputation over the years. Most people have come to believe that the “government” is going to take everything they own if they end up needing long term care in a nursing home. **Not true!**

Good News:

The Government is NOT going to take your home and assets if you need long-term care in a nursing home.

Bad News:

If you need care, you need to pay for the service. The nursing home is not going to take care of you for FREE. Without a carefully crafted estate plan, you could end up having to sell everything, including your home, to pay for your nursing home care.

Great News:

The government will pay for your nursing home, AND allow you to leave an inheritance to your family and loved ones, IF you follow the RULES!

Homestead: Medicaid in New York State treats your “homestead” as a very special asset. A homestead can be a house, condominium, cooperative apartment, or a mobile home. If you follow the rules, your homestead may be considered an “exempt” asset and disregarded for Medicaid qualification purposes. Vacation homes, summer homes and cabins do NOT qualify as homesteads.



One Homestead Up To \$878,000 In Value: If you are *married*, and your spouse needs skilled nursing home care, you are allowed to own and use, as your principal residence, one homestead up to \$878,000 in value. [General Information System MA/15, page 2] This means that if your spouse needs skilled nursing home care, you are unlikely to lose your home in Central New York. You can use your money and other assets to fix up your current home, sell your home and buy a different home, or if you do not own a home, buy one, as long as the value does not exceed \$878,000. We look at your homestead as a piggy bank to shelter money if you are married and your spouse needs skilled nursing home care.



Caretaker Child: If your child

- 1) Moves into your home as his or her principal residence; and
- 2) Takes care of you for a period of at least two years before you go to a nursing home; and
- 3) He or she provides you with care that allowed you to live at home instead of going to a nursing home;

then you can transfer ownership to your child, and you will still qualify for Medicaid to pay for your nursing home. [NY Social Services Law §366(5)(e)(4)(i)(D)]

Disabled Child: If your child is certified blind or certified disabled by a government agency, and you need skilled nursing home care, you can transfer your homestead to your child and still qualify for Medicaid Assistance. [NY Social Services Law §366(5)(e)(4)(i)(B)]. Examples: (1) Your child's vision in the better eye is less than 20/200 with glasses or contacts and he or she is receiving Social Security benefits. (2) Your child suffered a severe back injury, is no longer able to work, and is receiving Social Security Disability benefits.

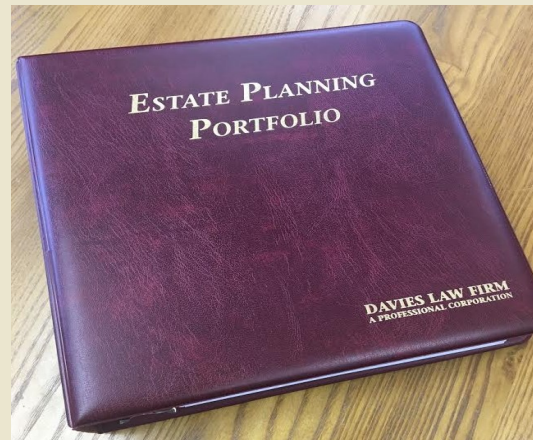


Sibling: If your brother or sister lives with you full time in your home for at least one year before you go to a nursing home, and he or she has an ownership interest in your home, you can transfer your ownership to your brother or sister and still qualify for Medicaid Assistance. [NY Social Services Law 366(5)(e)(4)(i)(C)]. Even if your brother or sister does not own a portion of your home, but lives with you for at least one year before you go to a nursing, he or she can continue to live in your home and you will qualify for Medicaid Assistance. [NY Social Services Law §369(2)(b)(iii)(A)].



Life Estate: You can sell your home, (or if you do not own a home) and buy the right to live in someone else's home (typically one of your children) for the rest of your life. After one year of living in the new home, if you go to a nursing home, the owner of the home, (your child) gets to keep the money you paid to live in the house, and you can still qualify for Medicaid assistance to pay for your nursing home. [NY Social Services Law §366(5)(e)(3)(ii)]

Medicaid Planning is an important part of your overall estate planning. The above homestead rules are only a part of the very generous Chronic Care Medicaid program in New York State if you need skilled nursing home care. To learn more about estate planning, and how to legally and honestly arrange your estate to qualify for the government to pay for your nursing home, we encourage you to attend one of our *free* seminars. It will be time well spent.



PLEASE NOTE: The above general information is current as of September 2019 and is not intended to be legal advice or do-it-yourself instructions. Before taking any action concerning your homestead, or any other Medicaid or estate planning, we strongly recommend that you contact our office, or seek the advice of an attorney who has the knowledge and experience to give you good and sound legal advice.



DAVIES LAW FIRM
A Professional Corporation

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210 East Fayette Street
Syracuse, New York 13202
(315) 472-6511
www.davieslawfirm.com