

**BOLHOUSE, BAAR & LEFERE, P.C.**  
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**Preservation vs Poverty**

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A frequent theme with our estate planning clients has been how to afford long-term care. The average monthly cost of nursing home care in Michigan is over \$6,000. In 9 years of working with elderly clients, I have yet to see anyone with an income large enough to cover such costs.

Many people work to save their entire life hoping to never need this kind of care. When they do, they are told they will need to spend it all before they can qualify for Medicaid benefits. In many situations, however, that is not the case. While it is true that for a single person to qualify for Medicaid they are limited to only \$2,000 in countable assets, there are many types of assets a person can retain that are not considered countable.

A single residence, a vehicle and a prepaid funeral contract are just a few of the items a person is allowed to retain while receiving Medicaid. That is why selling a person's home just prior to or after entering a nursing home may be the worst thing a person can do.

In the case of married couples, there is a way to transfer virtually all the assets from one spouse to the other, allowing the spouse who continues to live independently to have the funds necessary for living expenses.

As parents and grandparents get older, it is often the children who have to deal with these tough decisions. One of the best gifts we can give them and ourselves is the gift of proper planning. Planning ahead and getting the correct legal advice before nursing home care is needed may be the difference between preservation and poverty.