

LEGAL TIPS ESTATE PLANNING

Will a trust stop the nursing home from taking my home?

Michigan is one of the few states (so far) that does NOT automatically place a lien on the home when you apply for Medicaid. As you have your assets passing through a trust and NOT through probate court when you die, the State of Michigan will not recover money from your assets when you die. With a special type of trust (we call it a Root Cellar Trust), your house is protected, and not considered a countable asset if you need skilled care. You can even sell your house if it has been in the Root Cellar trust for at least 5 years before you need skilled care. A revocable living trust can be used to protect the house from going through probate court however, as a general rule, you can't sell the house while the patient is in the nursing home without turning the money from the sale over to the state.

What is the difference between Medicare and Medicaid?

Medicare is the government's health care insurance. When an individual reaches the age of 65, they are eligible for Medicare. Medicare has Parts A, B, C and D. Part A provides inpatient hospital coverage; Part B provides outpatient medical coverage; Part C is an Advantage Plan that allows you to elect additional services that cost extra; and Part D provides prescription drug coverage. Medicaid is a federal program administered by the states which provides for a base line of care in a skilled care environment. There are 3 primary programs: Medicaid – which covers skilled care nursing homes; Medicaid Waiver – which covers assisted living, and Medicaid PACE (Program of All-Inclusive Care for the Elderly) which provides a wide range of medical, social, recreational, and wellness services.

What happens if I don't have a Health Care or Financial POAs in place?

If you are NOT able to make your own financial or health care decisions, and don't have a health care power of attorney or financial power of attorney document in place, you will be faced with a probate court matter to appoint a Conservator or Guardian. A probate judge will then decide who gets to make those decisions, and that person would do so without written guidance from you.

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