How to Save Your Home From Medicaid

Do you fear losing your home to pay for nursing home care? Seventy-five percent of Upstate New York seniors own their homes, which is typically their most valuable asset. There are seven ways to legally save your home.

1. **Purchase a New York State Partnership Long Term Care Insurance** policy which allows you to qualify for Medicaid after the coverage ends, regardless of the amount of assets that you own.

2. **Transfer your current home to your children with a life estate deed** which gives you the right to live there for the rest of your life. You will still qualify for property tax exemptions.

3. **Purchase a life estate interest in another person's home or in a new home** for full consideration and live there for at least one continuous year.

4. **The primary residence of the nursing home applicant, spouse and minor, disabled or blind children** is exempt up to $750,000 in equity. One, two or three family houses, condominiums, cooperatives and mobile homes qualify. These exempt properties may contain a business and two apartments, one of which is a primary residence.

   Any contiguous property or adjoining home is also exempt. An exempt homestead will lose its exemption if the sole occupant leaves the home and is considered to be in a permanent absent status with no intent to return home. Reverse mortgages and home equity loans can be used to reduce the amount of the equity interest.

5. **Transfer your home to a sibling** with an equity interest who has resided in the home for at least one year immediately prior to the date you became institutionalized and who continues to lawfully reside in the home.

6. **Transfer your home to a caretaker child** who either: (a) has resided in your home for at least two years immediately prior to the date you became institutionalized or (b) will be providing care pursuant to a personal service/caretaker contract.

   This is an agreement by the caretaker to provide personal and/or managerial services in exchange for market rate compensation. It should clearly spell-out the duties, responsibilities and compensation of all parties. The value of the home transferred must correspond to the fair market value of the services to be provided.

7. **Create an Irrevocable Living Trust** and deed your home into the name of the trust.

Methods #2 and #7 may result in a certain period of ineligibility for Medicaid coverage depending on the value of the real estate, the date of transfer and your age. This is a brief summary of the law and is not a substitute for legal and tax advice.

Medicaid laws are constantly changing and subject to various interpretations. Do not take any action without first consulting with an attorney.