

Seeking Help and Resources

Medicaid laws are constantly changing, and they vary from state to state. Because of this, it is essential to consult with an experienced elder law attorney who understands your state's specific regulations. An attorney can provide personalized advice, helping you navigate the application process and plan for long-term care costs.

Additionally, family support groups, such as the Alzheimer's Association and AARP, often provide resources and guidance for families dealing with long-term care issues. Local Area Agencies on Aging can also offer comprehensive advice and information about Medicaid and related topics.

The Role of an Elder Law Attorney

Elder law attorneys play a critical role in Medicaid planning. They have extensive training in Medicaid law and understand how to help clients prepare for long-term care expenses while protecting assets. Early planning can provide significant benefits, including ensuring that a spouse at home retains enough income and assets for living expenses, as well as preventing unnecessary loss of resources before applying for Medicaid.

In addition, elder law attorneys can assist in exploring other options, such as long-term care insurance, to help cover future care costs. These professionals are also equipped to help with other aspects of estate planning, ensuring that individuals and their families are fully protected and prepared for the future.

National Academy of Elder Law Attorneys

The National Academy of Elder Law Attorneys (NAELA) is a professional association of more than 4,000 attorneys dedicated to improving the quality of legal services provided to older adults and people with disabilities.

The information in this brochure is provided as a public service and is not intended as legal advice. Such advice should be obtained from a qualified elder law attorney.

For more information about NAELA and a directory of NAELA attorneys in your area, go to www.NAELA.org.



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The Law and Aging

Understanding Medicaid



The Basics of Medicaid

Medicaid is a joint federal and state program that provides medical care for individuals who cannot afford to pay for it. This program covers a wide range of health care services, including physician visits, hospital stays, medical supplies, and, importantly, long-term care in nursing homes for eligible individuals.

Each state administers its Medicaid program independently, so while the fundamental eligibility criteria are consistent across the U.S., there can be significant differences in the rules from state to state. Medicaid eligibility is primarily based on an individual's assets and income. In cases where the person is married, the assets and income of both spouses are considered during the eligibility review. Medicaid offices in each state make these determinations.

It is also important to distinguish between Medicaid and Medicare:

- **Medicare** is an insurance program available to people 65 and older and certain individuals with disabilities, regardless of their income or financial resources. However, Medicare offers very limited coverage for long-term care, particularly in nursing homes, which means individuals often have to pay for these services out of pocket or rely on long-term care insurance.
- **Medicaid**, on the other hand, provides comprehensive coverage for medical needs, including long-term care, for people of any age who meet specific financial eligibility

requirements. For people who are eligible for both Medicare and Medicaid, Medicaid may help cover costs that Medicare does not.

Key Information to Know

Medicaid Complexity

Medicaid is one of the most complicated laws in the U.S., and it is further complicated by variations in each state's implementation.

Long-Term Care Costs and Medicaid's Role

Medicare doesn't cover long-term care for conditions like Alzheimer's disease or stroke-related paralysis, and most people who need such care for extended periods often exhaust their personal assets. Once this happens, Medicaid can step in to cover the difference between a person's income and the actual costs of care, including room and board in a nursing home, physician services, hospital care, and other necessary medical expenses. In addition to nursing home care, Medicaid can also cover costs for adult care homes, hospice, and, in some cases, in-home care.

Medicaid Eligibility

When facing the possibility of long-term care, it's crucial to understand several important rules about Medicaid eligibility:

- **Eligibility Review:** Medicaid eligibility is determined based on a person's actual need for care, available resources (such as life insurance and retirement accounts), and income. Some states disqualify individuals if their monthly income exceeds a set limit,

even if their long-term care expenses are higher than their income.

- **Gifts and Transfers:** Medicaid penalizes individuals for gifts or transfers of assets made within a certain number of years before applying for Medicaid, often referred to as the "look-back" period.
- **Spousal Protections:** When one spouse applies for Medicaid, the assets and income of both spouses are considered, regardless of any pre-marital agreements or community property laws. However, Medicaid does protect the "community spouse" (the spouse who remains at home) by allowing them to keep a portion of the couple's assets and income to avoid impoverishment. This includes a federally-set maximum for assets and a minimal level of income to support the spouse at home.
- **Non-Countable Assets:** Some assets, such as the family home, household goods, one vehicle, prepaid burial funds, and certain other items, are exempt from Medicaid's resource limits.
- **State-Specific Rules:** Each state has its own specific Medicaid rules and exemptions. It's critical to be familiar with these provisions to avoid unnecessarily depleting assets before applying for Medicaid.
- **Appeals Process:** If you're dissatisfied with a Medicaid eligibility decision or care placement, there are processes in place for administrative hearings and court appeals to challenge those decisions.