



SNAPSHOT OF MEDICAID CHANGES

On February 8th, 2006, President Bush signed the Deficit Reduction Act of 2005. Included in the bill were provisions that make it more difficult for an individual to transfer assets to qualify for Medicaid Long-Term Care Coverage.

Below is a quick side-by-side comparison illustrating some of the changes. This is not a comprehensive look at the changes, but a highlight of some of the major alterations.

Old Medicaid Rules	New Medicaid Rules
Home equity was not counted under Medicaid eligibility.	Home equity of \$500,000 or more bars admission into Medicaid. States can increase the limit to \$750,000.
The past three years of a person's finances were examined for gifts of assets.	The past five years of a person's finances were examined for gifts of assets.
The waiting period is counted retroactively from the time of transfer or gift.	The waiting period will be counted forward from when the applicant is deemed eligible for Medicaid.

Obviously, the message from the government is clear - individuals with financial means are responsible for their long-term care through savings or long-term care insurance.

For more information please contact us at:
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