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HEALTH

Understanding the New Medicaid Rules

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These resources will help you follow developments in your state and learn about other changes in the law.

A new federal law that took effect on February 8, 2006, makes it tougher for seniors who give away money to family or charities within five years of entering a nursing home to qualify for government-subsidized care through the medicaid program. Each state will implement the new rules, which are part of the Deficit Reduction Act of 2005, on its own schedule, ranging from a few months to a few years. To follow developments in your state, and to learn about other changes in the law, see our list of resources below.

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- [A Fresh Look at Long-Term Care](#)
- [Long-Term-Care Mistakes](#)

The Kaiser Family Foundation, a nonprofit think tank that specializes in health care issues, explains how the new rules affect seniors who transfer assets in its briefing paper, [Deficit Reduction Act of 2005: Implications for Medicaid](#)

The National Academy of Elder Law Attorneys, which in the past has helped families preserve assets while still qualifying seniors for government-subsidized care, [explains how the new restrictions](#) will require seniors and people with disabilities to spend more of their own money on nursing care and may penalize those who unwittingly run afoul of the new rules.

Steve Moses, founder of the Center for Long Term Care, in Seattle, opposes the elder care attorneys' practice of intentionally shifting assets to qualify middle-class seniors for medicaid-funded nursing

home care. It's known as "medicaid planning." Moses argues that it will bankrupt the already vulnerable medicaid system and ultimately penalize the poor it was designed to help. He [advocates that Americans plan to pay for their own care](#) by buying long-term care insurance or using a reverse mortgage to tap the equity in their homes.

The federal government's official Web site for the **Centers for Medicare and Medicaid** services explains [current regulations](#) dictating who qualifies for medicaid to pay for long-term care.

States, which administer the medicaid program and share the costs with the federal government, will adopt the new restrictions on transferring assets on their own timetables. Here is [contact information](#) for the medicaid program in each state.

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