

New post on **Elder Law News**



Medicaid's Gift to Children Who Help Parents Postpone Nursing Home Care:

by The Law Offices of Brian A. Raphan, P.C.

In most states, transferring your house to your children (or someone else) may lead to a [Medicaid](#) penalty period, which would make you ineligible for Medicaid for a period of time. However, there are circumstances in which transferring a house will not result in a penalty period.

One of those circumstances is if the Medicaid applicant transfers the house to a "caretaker child." This is defined as a child of the applicant who lived in the house for at least two years prior to the applicant's entering a nursing home and who during that period provided care that allowed the applicant to avoid a nursing home stay. In such cases, the Medicaid applicant may freely transfer a home to the child without triggering a transfer penalty. Note that the exception applies only to a child, not a grandchild or other relative.

Each state Medicaid agency has its own rules for proof that the child has lived with the parent and provided the necessary level of care, making it doubly important to consult with your elder law attorney before making this (or any other) kind of transfer.

Others to whom a home may be transferred without Medicaid's usual penalty are:

- Your spouse
- A child who is under age 21 or who is blind or disabled
- Into a trust for the sole benefit of a disabled individual under age 65 (even if the trust is for the benefit of the Medicaid applicant, under certain circumstances)
- A sibling who has lived in the home during the year preceding the applicant's institutionalization and who already holds an equity interest in the home

For more on Medicaid's asset transfer rules, [click here](#).

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