



While you were sleeping.....

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Did you know that 40% of people 65 years or older will need to spend some time in a nursing home? Did you also know that more than 50% of people who go to a nursing home spend at least one year there? These statistics should make us think about planning for this stage in our lives, especially when the average cost of staying in a nursing home is approximately \$6,000 per month or \$72,000 per year. With these costs, it shouldn't come as a surprise that many of you will consider if Medicaid can pay for these costs. This information isn't new and probably many of you have heard it before. But, what you probably haven't heard and what you need to know is that since October 1, your home may no longer be protected if you need nursing home care and qualify for Medicaid.

Over the last couple of months, the Michigan Legislature has made it clear that it can get more work done while you were sleeping (than while you are awake). Aside from the service tax (which fortunately now has been repealed), another change that the Michigan Legislature "slipped through" on the eve of October 1 was what is commonly referred to as the "Medicaid lien" law. It is commonly known that Michigan has essentially "thumbed it nose" at the federal government since 1993 by not passing some form of "Medicaid lien" law. Michigan's 14 year resistance ended on October 1 of this year when it passed a law implementing estate recovery.

Let's first clear up one misconception. You may have heard that a "Medicaid lien" law would require someone to sell their home during their life to become eligible for Medicaid. This is not true. Estate recovery is actually a process that takes place after a person has passed away and Medicaid has paid for their nursing home costs during some period of time of their life.

The new "Medicaid lien" law could impact your home in this way. It requires that when your house is sold (most likely after you have passed) that the State of Michigan be reimbursed for the nursing home care it has paid for before the proceeds from the sale are distributed to your children or heirs. Fortunately, Michigan has adopted a "Medicaid lien" law that may still allow you to protect your home. However, many of them require some forethought and planning. Your home is too valuable, so find out if this law impacts you and how to deal with it.

Cunningham Dalman, P.C. is a full service law firm located in Douglas, Michigan, as well as in Holland, Michigan. Our attorneys possess skill and experience in a broad spectrum of areas of practice, and have proudly served the lakeshore community for over 100 years. Contact us at 269-857-7879.