

## **THINKING OF MEDICAID? KEEP YOUR RECORDS!**

By Joseph A. Bollhofer, Esq.

When an application is made for Medicaid coverage for care in a nursing home, five years worth of financial records must be provided to the Department of Social Services (“DSS”). If something is missing – and it almost always is – DSS sends a letter stating what is needed, and allows ten days for it to be provided.

Often, the missing documentation can not be provided within ten days. A request is made for more time and, if all reasonable efforts are being made to comply, DSS likely will allow another ten days. Beyond that, additional time is not likely. What is then likely is a letter from DSS denying Medicaid coverage for failing to provide the requested documentation.

Although there are ways to fight the denial, that process gets more expensive. Since nursing home care costs approximately \$350 per day, denial can be financially devastating.

The lesson: keep meticulous, legible records of all accounts and property owned, in neat chronological order. This includes accounts that have been closed. Keep a record of transfers. If you received an inheritance, or a gift, or sold your car or boat, keep copies of those checks before you deposit them, or at least a written record proving the source of the deposits.

Too often, we see deposits into accounts and no one remembers where they came from. If the Medicaid application is being made by someone who had no involvement with the record-keeping, and has no authority to deal with the bank or other financial institution, the result could be a denial. That is poor planning.

Make sure a trusted person or two at least has authority to obtain copies of financial records. A better recommendation is that your trusted person be authorized to sign on accounts, and that you sign a comprehensive Power of Attorney authorizing that person to act on your behalf.

Since good record-keeping is required for income tax purposes anyway, the additional organization discussed here should not be a great burden. And when it is time for you to leave this world, your loved ones will thank you not only for whatever financial gift you are able to leave them, but also for the concern you showed by making it easy for them to figure things out.

The rules regarding nursing home Medicaid eligibility are extremely complex, and many alternatives exist. Since each particular case has its own unique facts, the reader is cautioned that the above summary can not be considered legal advice and should consult with an appropriate legal advisor. Please also note that the monetary figures stated herein are applicable to applications filed in 2010, and might vary in later years.

Copyright 2010 Joseph A. Bollhofer, Esq.

### ***Editor’s Note:***

*Joseph A. Bollhofer, Esq., is an attorney who practices law in the areas of elder law, Medicaid, estate and business planning and administration, and real estate. He is a member of the Elder Law, Real Property, and Surrogate’s Court Committees of the Suffolk County Bar Association and of the Elder Law and Real Property Law Sections of the New York State Bar Association. He has been serving area residents since 1985 and is admitted to practice law in New York and New Jersey. His office is located at 291 Lake Ave., St. James, NY. (584-0100)*