

Nursing Home Admissions: Assets Too High For State Aid.

In preparation for entering a nursing home the elderly mother's home was to be placed on the market. Before placing the home on the market the children fixed up the house and substantially improved its value in the ensuing sale.

When they found they would just have to turn around and use the substantial home-sale proceeds to pay the nursing home, it was decided the children would be paid \$100,000 for the work they had done on the house.

The Appeals Court of Massachusetts

Money that leaves an elder's assets to pay for goods or services reduces the assets for purposes of eligibility for state aid for nursing home care.

Money given gratuitously to a family member, however, does not count as a deduction and net worth is calculated as if the money was still there.

APPEALS COURT OF MASSACHUSETTS
February 14, 2007

ruled the \$100,000 that went to the children was not a legitimate deduction for purposes of state aid eligibility, but was more like a non-qualifying gift.

Unlike a pre-sale fix-up payment to a legitimate home-repair contractor, there was no actual expectation of repayment or contract for repayment to the children when they performed the services in question. Andrews v. Division of Medical Assistance, __ N.E. 2d __, 2007 WL 447187 (Mass. App., February 14, 2007).