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Most Common MaineCare Myths and Misconceptions

1. My spouse is entering a nursing home and I am going to lose my home. This is one of the saddest misconceptions because it has no basis.
2. My spouse is entering a nursing home, and we can only have \$2,000. Again, it is very disheartening, but true that many people wait much too long to apply for MaineCare on the premise that they have too much to qualify. Not only are people not aware of the many exemptions to the asset rules, but many believe that they must be impoverished when, in fact, they do not.
3. If I make gifts, I'll be fine if I give away no more than \$10,000 per month. For some reason, this is often a very difficult notion to dispel. Many elderly folks have been so inundated with financial planning information, that the \$10,000 annual gift and estate exclusion (which is now \$12,000) often becomes inextricably tied with their notion of gifting for nursing home care purposes - no matter that they don't have a taxable estate.
4. Any money I put into an annuity will be protected from my long term care expenses. This another very frequent and frustrating misconception. More often than not this stems from unscrupulous or ignorant insurance sales persons eager to make their next commission. Annuities are only useful in the case of the community spouse of an individual entering a nursing home and only if it is an immediate annuity. There is generally no purpose served in buying an annuity for purposes of MaineCare eligibility until nursing home care is imminent.
5. If I haven't transferred assets at least 36 months before I need nursing home care, I won't be able to do so. This is probably the most common misconception and stems from confusion over the 36 month look back period. The look back period is very real, but it is simply a reporting period - the period of time one must reveal his finances when applying for long term care assistance. **Caveat: The look back period has been extended to five years and penalty periods are to be calculated as of the date one runs out of assets and applies for MaineCare.**