

# WHAT IS NURSING HOME ASSET PROTECTION?

*“There is another type of asset protection that impacts a majority of Americans. This would be nursing home asset protection. Why do you need to protect your assets from a nursing home? Read on to find the answer to this question.”*



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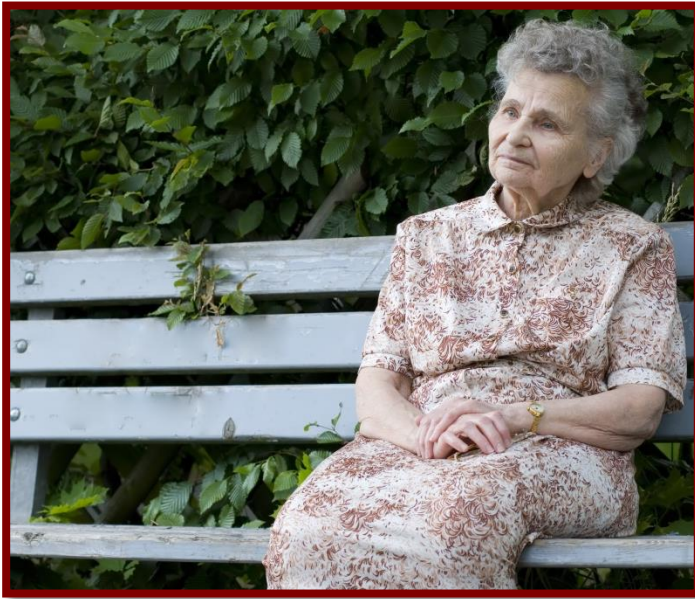


The concept of asset protection can sound like something that would only apply to lawsuits. Indeed, there are asset protection strategies that can be implemented by people who are vulnerable to legal actions.

However, there is another type of asset protection that impacts a majority of Americans. This would be nursing home asset protection.

Why do you need to protect your assets from a nursing home? Read on to find the answer to this question.

## **MOST PEOPLE WILL NEED IT**



Everyone is aware of the fact that some senior citizens need help with their day-to-day needs, but you may be under the impression that you will not be among them when you attain senior status. In reality, the statistics tell a different tale.

There is a very useful website that is maintained by the United States Department of Health and Human

Services that is called [longtermcare.gov](http://longtermcare.gov). You should certainly explore the site if you want to become informed about the eventualities of aging.

When you visit the site, you are greeted with this statistic: Seven out of every 10 seniors citizens who are turning 65 today will someday need long-term care. As you can see from this statistic, you should certainly prepare for this eventuality in advance.

## **FINANCIAL IMPLICATIONS**

Wrapping your head around the concept of long-term care mentally is one thing, and it can be a significant thing. However, there is also the financial angle to consider. Most people will qualify for Medicare coverage when they reach the age of 65. This program will help with things that are covered, but Medicare does not pay for long-term care.

When you consider the fact that most people will need long-term care, and Medicare won't pay for it, you may start to pay attention. The attention may become more profound when you gain an understanding of the state of long-term care costs in the United States.

We practice law in the greater Dallas area. Genworth Financial has done some great work keeping a finger on the pulse of the long-term care costs around the country. According to their survey, the median annual charge for a private room in a Dallas area nursing home is \$78,475 in 2015.

A government survey was done a while back, and it found that the average length



of stay for someone in a nursing home is around two years and three months. Approximately 10 percent of people in nursing homes require the care for at least five years.

When you combine the statistics, a typical stay in a Dallas area nursing

home could cost close to \$200,000 under the currently existing dynamic, and costs have been rising.

## **NURSING HOME ASSET PROTECTION**

When you digest this background information, you can clearly see why nursing home asset protection is something that should be on your radar. For most people, the solution is the Medicaid program. This program does pay for long-term care.

You are probably aware of the fact that Medicaid is a government program that is in place to provide health insurance for people with financial need. Because it is a need-based program, there is a \$2000 limit on countable assets.

To qualify, you could give gifts to your loved ones before you apply. You would in a real sense be giving them their inheritances in advance, because to put it bluntly, the nursing home would be your last stop.

This takes careful planning, because you have to complete the gift giving at least five years before you submit your application if you want to obtain coverage in a timely manner.

## **CONCLUSION**

There are three profound realities that you should take away from this paper: Most people will need long-term care, it is very expensive, and Medicare will not cover it. These are the reasons why Medicaid asset protection is important.

If you can qualify for Medicaid, a program that does pay for long-term care, you can get the care that you need as you keep assets in your family. To explore nursing home asset protection strategies, contact an elder law attorney.

## **REFERENCES**

United States Department of Health and Human Services  
[www.longtermcare.gov](http://www.longtermcare.gov)

Genworth Financial  
<https://www.genworth.com/corporate/about-genworth/industry-expertise/cost-of-care.html>

## About the Author

### John R. Vermillion



John R. Vermillion works as an estate planning and probate attorney and is licensed to practice in Texas, Louisiana, Oklahoma, and Tennessee. A native Texan, he graduated from Texas Christian University in 1974 receiving a Bachelor of Arts Degree in Political Science. In 1977, he received his Juris Doctor degree from the Louisiana State University Law School.

Upon graduation from law school, Mr. Vermillion worked extensively as a corporate attorney in the fields of oil and gas exploration and production, real estate development, finance and estate planning. He served for many years as corporate counsel and Vice President of a private independent oil and gas company.

Mr. Vermillion is a member of the State Bar of Texas, the Dallas Bar Association, the Louisiana State Bar Association, the Oklahoma Bar Association, and the Tennessee Bar Association. He is a member of the American Academy of Estate Planning Attorneys and the National Academy of Elder Law Attorneys.

Also active in his community, he currently serves as a director for the Charles Coody Classic Golf Tournament which benefits Catholic Charities of Fort Worth, Texas. A member of the French-American Chamber of Commerce, Louisiana Chapter, Mr. Vermillion pursues their goal of promoting and developing commercial and financial relations between France and the United States. In addition, he serves on the TCU Dallas Alumni Board and sponsors the Dallas area NAMI Walkathon (National Alliance for Mental Illness).

Coming from a family of entrepreneurs, Mr. Vermillion has owned and operated his own businesses, including an historic inn. His experience has given him a hands-on understanding of the legal and practical issues facing his clients and their estate planning needs.

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