****

**THE 5 YEAR LOOK BACK RULE FOR APPLYING FOR MEDICAID**

This is some of the most important information you will need if you will eventually find yourself in need of the state Medicaid plan. Make sure to go to your state government website and look up the specific rules and procedures for Medicaid in your state.

When you apply for Medicaid the state will look at ALL expenses you had and money you spent for 5 years prior to the application date. If a person applying for aid has given any money or items to someone that could have been used for care or sold for money and then used for care they will make you pay it back or penalize the loved one and make the family pay that amount before they will start Medicaid programs.

For example: If my mom gave me $10,000 for a car because she could the state will tell me that I owe them 10,000 before they will allow Medicaid to take over. Basically you are penalized for anything you spend in cash or assets that could be used for payment of care. Make sure you talk to an Elder attorney about how this works.

They can help you plan and understand what your issues are. Remember that a parent can be fine moving into a facility but then have a stroke out of nowhere and quickly their expenses will go quicker than you planned. If you need to apply for Medicaid when you thought you had plenty of time you may run into these issues.

This includes gifts of money to family. You need to be very aware of this and plan ahead.