

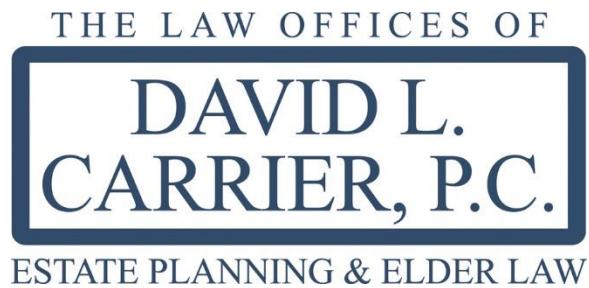
## Medicaid Applicant Who Began Paying Her Daughter After Two Years of Free Caregiving Receives Penalty Period

A New Jersey appeals court rules that a Medicaid applicant who paid her daughter to be a companion after two years of free caregiving did not rebut the presumption that a transfer of assets to a relative who previously provided services for free is an uncompensated transfer for Medicaid purposes.

E.B. appealed, arguing that she rebutted the presumption she transferred assets for less than market value. The state ruled there was not sufficient proof of services provided for E.B. to justify the payment. E.B. appealed to court.

The New Jersey Superior Court, Appellate Division\*, affirms, holding that E.B. did not rebut the presumption that a transfer of assets to a friend or relative to compensate for care or services provided free in the past has been transferred for no compensation. According to the court, the lack of information about the specific services J.W. provided as well as the fact that E.B. was in a deteriorating condition that might require nursing home care when she began paying J.W. indicated the transfer was made for less than fair market value.

The rules around caregiving for a family member versus hiring a licensed homecare agency, when applying for Medicaid are very different. Call the Law Offices of David L. Carrier at 616-361-8400 for all your Medicaid planning questions.



\**E.B. v. Division of Medical Assistance and Health Services* (N.J. Super. Ct., App. Div., No. A-3087-15T4, July 13, 2018).