



Bama Estate Planning

By Harlan D Mitchell Legal Services LLC

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7 Ways to Protect Your Home from Nursing Home Costs

Essential Legal Strategies for Alabama Families



Introduction

Long-term care can cost over **\$8,000 per month**—and without a plan, many families are forced to spend everything they've worked a lifetime to build.

But there's good news: **There are legal ways to protect your home and savings** from being lost to nursing home expenses. This guide outlines 7 proven strategies that families in Alabama can use—**even if a loved one is already in care.**

✅ Simple. ✅ Legal. ✅ Often unknown to the average family.

Let's dive in.

1. Use a Medicaid-Compliant Asset Protection Trust (MAPT)

A MAPT allows you to transfer ownership of your home into a specially designed trust while still living in it.

- ✓ Your home is protected after the 5-year Medicaid lookback period.
- ✓ You retain the right to live there for life.
- ✓ Your heirs can inherit it outside of probate.

💡 *This strategy works best when used proactively—at least 5 years before applying for Medicaid.*

2. Claim the Home as an Exempt Asset

In Alabama, your primary residence can be exempt for Medicaid eligibility if:

- You (or your spouse) are living in it, **and**
- The equity value is under a certain threshold (currently around \$713,000 in 2025, but this changes annually).

⚠️ However, Medicaid may still try to **recover the home** from your estate after death unless proper steps are taken.

3. File a Life Estate Deed

This special deed allows you to:

- Retain full control of your home during your lifetime,
 - Automatically transfer the home to your heirs at death,
 - **Avoid Medicaid estate recovery** in many cases.
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4. Transfer the Home to a Caregiver Child

Medicaid rules allow you to transfer your home **without penalty** to a child who:

- Has lived in the home with you for at least **2 years**, and

- Provided **care that delayed your nursing home entry**.

✅ This is called the “**Caregiver Child Exception**.”

5. Use the Spousal Protections

If you're married, Medicaid rules allow:

- The **well spouse** (community spouse) to remain in the home,
- Asset and income protections for the spouse still living in the community.

🛡️ *With the right planning, you don't have to spend everything or sell the home just to qualify for care.*

6. Avoid Probate with Proper Estate Planning

Even if the home is exempt during your life, **Medicaid can place a lien after death** unless it's passed outside probate.

Tools like:

- **Revocable or irrevocable trusts**
- **Transfer-on-death deeds**
- **Joint ownership strategies**

...can help bypass probate and **avoid recovery**.

7. Plan Before the Crisis

The earlier you plan, the more options you have.

Waiting until you—or your loved one—is already in a facility limits what can be protected.

That said, **crisis planning is still possible**. An experienced elder law attorney can help you use last-minute strategies to preserve some assets—even if care has already started.


Want Help With Your Plan?

Bama Estate Planning helps Alabama families protect what matters most.

- ✓ Home Protection
- ✓ Medicaid Planning
- ✓ Elder Law and Estate Planning

 **Book a Free Consultation Today**

 www.bamaestateplanning.com

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Final Thoughts

You've worked hard for what you have. Don't let the nursing home take it all.



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