

STRATEGIES TO PROTECT ASSETS

For Florida Medicaid Long-Term Care Eligibility (2026)

To qualify for Medicaid long-term care in Florida, an individual applicant may have no more than \$2,000 in countable assets. Married couples receive additional protections for the community spouse. Medicaid applies a five-year “lookback” period, meaning any gifts or transfers made within five years of application may trigger a penalty period of ineligibility. The strategies below can help protect family assets while preserving Medicaid eligibility.

01 Community Spouse Resource Allowance (CSRA)

When one spouse applies for Medicaid and the other remains at home, the community spouse may retain up to \$162,660 in countable assets (2026). The applicant spouse is limited to \$2,000. Assets are evaluated as of the “snapshot date”—the first day of the first continuous period of institutionalization—and then divided subject to these limits.

► *Timing matters. The snapshot date determines the total asset pool—strategic planning before institutionalization can maximize the community spouse’s share.*

02 Homestead Exemption

The applicant’s primary residence is exempt from Medicaid’s asset count as long as the home equity does not exceed \$752,000 (2026) and the applicant intends to return home—or a spouse, minor child, or disabled adult child resides there. However, Medicaid may place a lien on the home and seek recovery from the estate after the applicant’s death.

► *Paying down a mortgage, making home repairs, or improving the property are permissible ways to convert countable assets into exempt homestead equity.*

03 Medicaid-Compliant Annuity

Converting a countable lump-sum asset into a Medicaid-compliant annuity transforms it into a stream of income rather than a resource. The annuity must be irrevocable, non-assignable, actuarially sound (based on the applicant’s life expectancy), and must name the State of Florida as the primary remainder beneficiary up to the amount of Medicaid benefits paid.

► *Particularly effective for married couples—the community spouse purchases the annuity, converting excess assets into an income stream that does not count against the applicant spouse.*

04 Irrevocable Burial Trust & Prepaid Funeral

An irrevocable prepaid burial contract and a separate irrevocable burial fund are exempt from Medicaid’s resource count. This includes funeral services, burial plot, headstone, casket, and related expenses. Florida allows one irrevocable burial trust per person with no dollar cap, provided the funds are designated for burial-related expenses.

► *One of the simplest and most commonly used spend-down tools for both single applicants and married couples.*

05 Spend-Down on Exempt Assets

Countable assets can be spent on items Medicaid does not count: paying off a mortgage or home repairs, purchasing a vehicle (one vehicle is exempt), buying household furnishings and personal effects, paying off debt, prepaying legal and funeral expenses, or making home accessibility modifications. These expenditures reduce the countable asset total without triggering lookback penalties.

► *Must be for fair market value—purchases at inflated prices or gifts disguised as purchases will be scrutinized.*

06 Medicaid Asset Protection Trust (MAPT)

An irrevocable trust established at least five years before the Medicaid application. Assets transferred into the trust are removed from the applicant's countable estate once the lookback period has passed. The applicant cannot be a trustee or retain control over the assets. This is a proactive planning tool—it requires advance preparation.

► *Best suited for clients who are planning ahead. If care is needed within five years, transfers to the trust will trigger a penalty period.*

07 Caregiver Child & Sibling Exceptions

Certain asset transfers are exempt from the five-year lookback: transferring the home to a caregiver child who lived in the home and provided care that delayed institutionalization for at least two years; transferring the home to a sibling with an equity interest who resided there for at least one year; or transfers to a blind or disabled child of any age.

► *The caregiver child exception requires thorough documentation—medical records, proof of residence, and evidence of the caregiving relationship.*

2026 KEY NUMBERS AT A GLANCE

Individual Resource Limit: \$2,000 • CSRA: up to \$162,660 • Home Equity Cap: \$752,000 • Lookback Period: 5 Years • One Vehicle Exempt • Irrevocable Burial Trust: No Dollar Cap

Every situation is unique. **Contact Zoecklein Law P.A.** for a personalized Medicaid planning consultation.

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