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For Immediate Release:

## P R E S S   R E L E A S E

### **Childrens' Inheritance at Risk Due to New Estate Recovery Law**

**MICHIGAN** – November 2, 2007 – Michigan's new Medicaid estate recovery law, passed in the middle of the night, threatens to disinherit children of Medicaid recipients. This law requires the state of Michigan to try and recover any Medicaid benefits it pays from the estate of the recipient after death.

The law (2007 Public Act 74) was passed by the legislature, and signed by the Governor at 2:14 a.m. on September 30, 2007, as part of their agreement to avoid a pending government shutdown.

"Until this law was passed a home, worth up to \$500,000, of a Michigan senior who was receiving Medicaid benefits was exempt from Medicaid, and could be inherited by the senior's children" says Thomas Doyle, estate planning attorney, and director of the Estate Planning & Settlement Group of the Law Firm of Garan Lucow Miller, P.C. "Now, the senior's home might have to be sold after their death to pay back the State for Medicaid benefits paid on their behalf" said Doyle.

As with any law, there are certain exemptions that are intended to soften the effect of estate recovery. For example, the State may not recover against the home while the spouse of the Medicaid recipient is still living there. There are similar exemptions while the home is occupied by the recipient's minor or disabled child.

When this new estate recovery law takes effect on December 1, 2007, it will immediately affect any Michigan citizen who is receiving Medicaid benefits. However, the final enforcement details still have to be approved by the Federal Government. Meanwhile, Doyle recommends that the spouses and/or children of current Medicaid recipients, should promptly seek professional review of their estates to determine what can be done now to protect their estates from estate recovery.

Unfortunately, having just a Will is not enough to avoid the affects of this new law. An estate plan that is designed to avoid estate recovery might require a living trust and/or changes in various beneficiary

designations. For those who already have a living trust, they will need to be sure that it is properly funded (i.e., all appropriate assets are in the trust).

While there is some urgency to having your estate reviewed, Doyle warns that you should be on the look out for the expected flood of estate recovery protection schemes that will, no doubt, be marketed to Michigan citizens. "Don't fall prey to the quick one size fits all solutions that you will hear about", says Doyle. "Protecting your estate from the consequences of this new law requires thoughtful analysis of your entire estate plan, which is the specific roll of your Estate Planning Attorney."

More information about Michigan's estate recovery law can be found at:

[www.michiganestater recovery.com](http://www.michiganestater recovery.com).

To arrange an interview with one our estate planning attorneys, or to receive a copy of an article we have prepared for your publication, contact Kristi Woloszyk at Garan Lucow Miller P.C.

The Law Firm of Garan Lucow Miller, P.C., a full-service law firm since 1948, has a reputation for quality representation provided on a personalized basis with a regional presence of nine offices throughout Michigan. The Firm's expertise encompasses virtually every aspect of insurance law as well as every feature of tort and commercial litigation, with full service business, real estate and estate planning practices. For more information about the firm, visit [www.garanlucow.com](http://www.garanlucow.com).

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