

Abstract: People with aging parents may worry about whether they could be held financially responsible for their parents' nursing home bills if the parents can't afford to pay them. This article explores filial responsibility laws, which are rarely enforced, and Medicaid's estate recovery process.

Could you have to pay a parent's nursing home costs?

Given the steep cost of nursing homes, planning for long-term care is critical. This holds true not only for you, but also possibly for aging parents if they're still in your life.

One important question to consider is whether you could be held financially responsible for your parents' nursing home bills if they can't afford to pay them. The answer is: It's possible, but unlikely.

Filial responsibility laws

More than half of the states have "filial responsibility" laws, under which adult children are responsible for their parents' medical bills if their parents are unable to pay. These laws are rarely enforced, for several reasons. For one thing, nursing home expenses usually are covered by Medicare or Medicaid. Also, most filial responsibility laws require a court to consider the children's ability to pay before imposing liability.

In rare cases, however, an adult child may be held responsible for his or her parents' nursing home bills. This might be the case, for example, if a parent doesn't yet qualify for Medicare and has just enough financial resources to be disqualified from Medicaid.

It's also possible for Medicaid eligibility to be delayed by several months — or even years — if the applicant made certain gifts or other asset transfers within a five-year "look-back" period. Nursing homes may be able to seek payment from the adult children of a patient who has made such disqualifying asset transfers to them during the look-back period.

Even if you're not directly responsible for your parents' nursing home bills, you may end up contributing to their care indirectly through Medicaid's estate recovery process. This allows Medicaid to recoup funds it spent on your parents' care from their estates after they die, which could thus reduce the amount of your inheritance.

Financial complexities

Caring for aging parents is a difficult task that can lead into many financial complexities. If your parents are receiving, or may soon receive, nursing home care and have limited funds, consult an attorney. A qualified legal advisor can help you determine whether you're potentially responsible for their bills. An attorney can also investigate whether your parents' assets are exposed to the Medicaid estate recovery process and whether strategies are available to limit your liability.