



**Mesmer & Deleault, PLLC**  
41 Brook Street, Manchester, NH 03104  
Seacoast Office: One New Hampshire Ave., Suite 125  
Portsmouth, NH 03801

Seasons Greetings



## “Tip of the Month”

### Caring for the Folks

When Mom and Dad get older, sometimes they need in-home care. They might not want to go into a nursing home. Sometimes a family member will come over or move into the house to care for Mom, such as a son, daughter, niece, nephew.

A question arises whether the family caregiver can be paid for this work and if so, how much. Yes, payment can be entirely appropriate, but people must be careful how they set it up to avoid trouble down the road.

Other family members busy with their careers or families often don’t appreciate how hard it is to be a caregiver. They might undervalue this work as something akin to babysitting, seeming to imply that free room and board in the house with heat and hot water should be enough.

To value this work, the family should compare the cost of in-home caregiver agencies that can be expensive when a parent needs help bathing, dressing and preparing meals. The median cost for homemaker or health aide care is about \$170 per day, which can go way up for day and night care.

The effort is often to avoid long-term care facilities that can charge \$10,000 per month for private-pay nursing care. Medicaid does not pay for in-home care or long-term care in a facility until all the spend-down cash is gone, which is one of the reasons for being careful when paying the family caregiver.

We start with a Caregiver Agreement or Personal Care Agreement that spells out the kind of care contemplated and the amount of payment. If the pay is significant over time, the parent and the child caregiver must be mindful of tax rules that call for reporting taxable income.

The Agreement is also important for Medicaid compliance. Without it, Medicaid authorities might view the payments from parent to child as gifts, which are penalized under Medicaid rules and could result in delay or denial of Medicaid benefits at the crucial time when they are most needed.

In the family dynamic, it is helpful for all the non-participating family members to be aware of the terms and basis of the Agreement to prevent misunderstanding or resentment. One good way for everyone to realize the value is to spend just a little bit of time in the caregiver role.

If you or your loved-one need help planning for estate administration or for long-term care, please give us a call at (603) 668 -1971 or contact us by email at [mailbox@biz-patlaw.com](mailto:mailbox@biz-patlaw.com). We are here to help.

## Happy Holidays!

Frank B. Mesmer, Jr.  
Robert R. Deleault  
Sarita L. Pickett  
Joshua N. Mesmer



(603) 668-1971

Fax (603) 622-1445

E-mail: [mailbox@biz-patlaw.com](mailto:mailbox@biz-patlaw.com)

Website: [www.biz-patlaw.com](http://www.biz-patlaw.com)