

Consult a Lawyer Before Signing Nursing Home Agreement



A nursing home agreement is a binding contract that typically involves a large amount of money. Just as with a real estate contract, it is wise to have an attorney review the agreement before you sign it, so you can understand exactly what your rights and responsibilities will be.

That can be especially true if you are signing a contract for an aging relative. For instance, you will want to know to what extent you might become personally responsible to pay for your relative's care.

In a case a few years ago, a woman signed an admission agreement with a nursing home in Connecticut on behalf of her mother. The daughter signed the contract as a responsible relative and she agreed to pay the nursing home out of her mother's assets and assist in arranging for Medicaid coverage.

The contract did not require the daughter to personally guarantee payment to the nursing home out of her own pocket. However, it did say that the daughter could become personally liable if she did anything that interfered with her mother's Medicaid eligibility, or if she failed to arrange payment to the home from her mother's assets.

Eventually a dispute arose, and the nursing home sued the daughter personally for payment. The daughter argued that she was protected by a state law that says a nursing home cannot require a third party to guarantee payment as a condition of admission. But the Connecticut Superior Court refused to throw the suit out. According to the court, the agreement was valid because it did not directly require the daughter to guarantee payment. The court said the daughter could still be sued personally for breach of contract if she failed to live up to her promises to pay the home out of her mother's assets and to assist in obtaining Medicaid benefits.

Before you sign any contract with a nursing home, be sure you fully understand what your obligations are and what might happen to you if something goes wrong.