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ESTATE PLANNING
&
ELDER LAW SERVICES



*Protecting Your Assets from the
High Cost of Long Term Care*

What Does Long Term Care Cost?

- Assisted living and in-home care averages about \$2,500.00-\$4,500.00 per month.
- The average monthly cost of “attendant” nursing care in Michigan for 2015 is \$8,084.00.¹
- Skilled nursing care can be three times as much.

¹ MI Department of Human Services

In Home & Assisted Living Options

- **Long term care insurance coverage or hybrids (i.e. – life insurance with LTC rider), if any**
- **Life Settlements - access death benefit before death**
- **Programs to save on prescription drugs, to free up their own income**
- **Veterans Programs to provide extra income**
- **Non-nursing home Medicaid programs, to pay for some of the cost; such as the “Waiver” program**

Veterans Programs

- **VA Disability Program (Service Connected)**
- **Pension Program or “Death Pension” for surviving spouse (Non-Service Connected; e.g. – “Aid & Attendance”)**
- **Dependency & Indemnity Compensation (DIC) Program - by surviving spouse/dependent**

Programs can provide extra income to Veteran and/or their spouse.

Medicaid “Waiver/Bridges” Program

Medicaid has a program that can assist pay for in-home and pre-nursing home level care.

Program historically underfunded/unavailable. There is a movement to fund/encourage use of “person-centered care” to reduce nursing home level care costs and promote independence.

Applicant must have income below \$2,199.00/month and must meet same “countable asset” test as with NH Medicaid.

Nursing Home Care Options

Without a LTCi policy, explore VA and other programs.

Usually, nursing home Medicaid program is the best option, but requires planning to become eligible without losing everything first.

Don't need to have acted more than five years prior.

Medicaid Eligibility Rules

Medicaid eligibility rules differ for single or married persons.

However, for both must satisfy three tests to qualify:

- **Medically Need Test (LOC Determination)**
- **“Countable” Income Test (below private pay rate)**
- **“Countable” Asset Test**

First two tests are usually not an impediment. The “Asset Test” is what causes most people difficulty.

Becoming Medicaid Asset Eligible

Asset eligibility can be achieved by:

- **Transforming countable assets into excluded assets**
- **Transforming countable assets into unavailable assets**
- **Strategic gifting programs (account for the “penalty”)**
- **Maximizing the “Protected Spousal Amount” or “PSA”**
- **Using a “Solely For The Benefit of” & Special Needs Trusts (Type A & B)**

Making “Countable” Assets “Unavailable”

- **Purchase pre-paid funeral and burial plans**
- **“Gift Plus” Planning (with SPIA)**
- **OBRA qualifying SPIA for qualified accounts**
- **Utilize “formal” personal care or property maintenance contracts**
- **Maximizing the Spousal “PSA”**
- **Solely For the Benefit of Trusts**
- **Special Needs Trusts**