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ELDER LAW NEWS UPDATE

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TO: Clients, Friends and Colleagues

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- WHY UNDERTAKE MEDICAID PLANNING?- ONE COUPLE'S STORY

Medicaid is the payer of last resort for long term health care in your home or in a nursing home, if you are disabled. If you own more than \$15,450.00 of resource in 2019 you will not qualify. Income is also a qualifying factor. Cited below is an example of how one NYC couple chose to undertake a medicaid plan and protect sufficient resources for a non-pensioned spouse. Both parties are living at home today, each with their own 24/7 home health care aide provided by Medicaid.

	2013 Values		2019 Values	Protected
Home	\$ 500,000.00	Home	\$ 575,000.00	Trust I
Bank accounts	\$ 180,000.00	Bank Accounts	\$ 200,000.00	Plan
Annuity	\$ 36,443.00	Annuity liquidated	\$ 38,000.00	Plan
Mutual Fund	\$ 89,650.00	Mutual Fund	\$ 129,000.00	Trust II
Stock	\$ 8,500.00	Stock	\$ 8,000.00	Trust II
Life Insurance	\$ 23,000.00	Life Insurance	\$ 24,500.00	Plan
IRAs	\$ 52,500.00	IRAs	\$ 34,000.00	Pay out status

In February 2013, husband underwent emergency colon surgery. After hospitalization and rehabilitation, husband returned home to his wife, and received the assistance of a medicaid aide for 10 hours per day, 7 days a week. How was he able to obtain medicaid? At the time of his emergency, his spouse, by power of attorney, undertook a medicaid plan on his behalf, while protecting his income in a pooled trust, which paid the household expenses.

In June 2018, the parties' resources were fully protected against the cost of long term care. In October 2018, the wife fell and underwent emergency hip surgery, was transferred to rehabilitation and later returned home. In the interim, the husband, whose fragile mental acuity posed a danger to his well being, was quickly qualified for 24 hour care. His wife also applied for medicaid assistance at home with further planning. While awaiting approval, she privately paid a personal care aide for twelve hours per day at \$4,200 every two weeks, or \$8,400.00 per month. After two months, she was medicaid approved and assessed for 24/7 care. Aides were immediately dispatched to her home to attend to her needs.

By undertaking this planning pursuant to circuitous terms of trust, the wife, who is without a pension, will be ensured sufficient income and resources to pay household expenses, if her husband should predecease her. The heirs inherit.

Reviewing the above charts, you will quickly understand that one million dollars worth of resources and their appreciation were duly protected by decisive and insightful medicaid planning. **Caveat: Medicaid coverage for nursing home care would require advanced five year planning in most cases.**

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