

**MEDICAID AND LONG
TERM CARE FINANCIAL
ELIGIBILITY AND ASSET
PRESERVATION
STRATEGIES FOR 65 AND
OLDER**

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*THE STATE SUPREME COURT OF WASHINGTON DOES NOT RECOGNIZE CERTIFICATION OF SPECIALISTS IN THE PRACTICE OF LAW AND THAT CERTIFICATE AWARD OR RECOGNITION IS NOT A REQUIREMENT TO PRACTICE LAW IN THE STATE OF WASHINGTON.

WHICH MEDICAID PROGRAMS?

- COPEs (in home and Alternative Living Facility care)
- Skilled Nursing Facilities

ASSET LIMITS

Asset values determined as of day the applicant enters the facility. “The Snapshot Day.”

SINGLE PERSON ON LTC MEDICAID

- \$2000 cash or cash equivalents (made liquid within 20 days)
- \$1500 burial account or
- Irrevocable burial plan of unlimited value
- House (equity limit of \$595k)
- One Car
- Personal Belongings (furniture, clothes, jewelry, etc...)

MARRIED COUPLE BOTH ON LTC MEDICAID

- \$3000 cash
- \$1500 burial account or irrevocable burial plan
- House (no equity limit)
- One Car
- Personal Belongings (furniture, clothes, jewelry, etc...)

MARRIED COUPLE, ONE SPOUSE ON MEDICAID LTC

- \$1500 burial account or irrevocable burial plan of unlimited value
- House (no equity limit)
- Car
- Personal Belongings (furniture, clothes, jewelry, etc...)

And....

COMMUNITY SPOUSE RESOURCE ALLOWANCE (CSRA)

- \$2,000 applying spouse
- If ill spouse is applying for COPES, up to \$58,075
- If ill spouse is applying for SNF, up to \$128,640.

If well spouse has over \$58,075 then they can keep an addition \$1 for every \$2 over the limit up to \$128,640



**DSHS WILL
LOOK FOR
GIFTS FOR 5
YEARS
PRECEDING
APPLICATION**

Transfers Between Spouses Ok

GIFTS RESULTING IN PENALTY PERIOD

- If gifts are more than \$340 per month, then DSHS will impose a “penalty period” or technically “Period of Ineligibility”
- Penalty period determined by:

$\text{Amount of gift} \div \$340 = \text{number of days of ineligibility}$

WHEN WILL MEDICAID START TO PAY?

- Three months retro payments available in skilled nursing after application approved.
- Must be otherwise eligible in order to receive retro payments
- No retro payments available unless in skilled nursing. Payment begins on first day of financial eligibility *and* application approval.

Too Much Money ???!

SINGLE....

- Spend Down on
 - Mortgage/other debt
 - Home improvements
 - Nicer Car
 - Travel

MARRIED....

- Spend Down on
 - Mortgage/other debt
 - Home improvements
 - Nicer Car
 - Travel
 - Medicaid Compliant Single Premium Immediate Annuity (SPIA)

ALLOWABLE TRANSFERS/GIFTS

- Person with a disability
 - Transfer to Special Needs Trust for any disabled person or outright gift to disabled child
- Transfer of home to child who has lived with and cared for parent for two years immediately prior to move into skilled nursing facility and receiving Medicaid

SPECIAL NEEDS TRUSTS

- First Party vs. Third Party—whose \$ is it?
- First Party available only to those under 65
 - State must be the first contingent beneficiary to the extent they have paid benefits on the disabled person's behalf
- Third Party
 - No age limit, no payback, but also no money from the disabled individual.

OTHER ASSET PRESERVATION TECHNIQUES

- For married couple, transfer home to well spouse. Avoids Estate Recovery.
- For married couple well spouse, “Nothing to Spouse” will with potential special needs trust for ill spouse.

PERSONAL NEEDS ALLOWANCE

- All of the Income of the ill spouse will go towards their care except for:

COPES Home	COPES Residential	Nursing Facility
Single \$1012.00	Single \$70.00	Single \$58.43
Married - Both on COPES \$1012.00 each	Married - Both on COPES \$70.00	Married - Both on COPES \$58.43
Married - One on COPES \$750.00	Married - One on COPES \$70.00	Married - One on COPES \$58.43

MINIMUM MONTHLY NEEDS ALLOWANCE (MMNA)

- The well spouse can keep some of the ill spouse's income if the well spouse receives less than \$2058. p/m
- The well spouse can keep additional income from the ill spouse to bring them beyond \$2058....up to \$3161.00. They must show that their living expenses (primarily housing) exceed the \$2058.

QUESTIONS....

