Aging in Place

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HERZOG LAW FIRM

Long-Term Care Needs

- The number of people needing long-term care is growing as Baby Boomers turn age 65
- The number of individuals over age 65 will double from 2000 to 2030, to about 71 million seniors in America
- After you turn age 65, your chance of needing some type of long term care assistance increases – there is a 69% chance you will develop a disability

Long-Term Care Planning

Long term care planning is planning for how we will live our lives as we age – do we want to live at home with help or do we want to move to a facility that will provide help to us

87% of adults age 65 and older want to stay in their current home and community as they age.

Helping Seniors Age in place

Where do you want to live?

Who will provide care?

How to pay for it?

What financial resources are available?

DEVELOPING A CARE PLAN

- **Desire for social interaction?**
  - Friends & Family
  - Community Groups/Senior Centers
  - Educational Programs
  - Living Communities
- **Community Supports & Services**
  - Meals on Wheels
  - Household Management/Bill Paying
  - Respite Care/Adult Day Programs

DEVELOPING A CARE PLAN

What level of assistance is needed?

- **Activities of Daily Living (ADLs)**
  - Personal hygiene
  - Dressing
  - Maintaining continence
  - Transferring
- **Instrumental Activities of Daily Living (IADLs)**
  - Transportation
  - Shopping and meal preparation
  - Finances
  - Housecleaning and home maintenance
  - Managing medications

COMMUNITY-BASED SERVICES

- Home Delivered Meals
- Nutrition Counseling
- Friendly home visitation/telephone reassurance
- Health Insurance Counseling (HIICAP)
- Home Maintenance Services (Umbrella)
- Personal emergency response systems
- Medication reminders & dispensers
- Low vision services (NABA)
- Adult Day Services
- Respite
- Transportation
- Case Management
- Food pantries
- Caregiver Education and Support
- Hospice & Palliative Care
- Physical therapy & occupational therapy services
- Home care services

Long Term Care Costs

Home Care

- unpaid home care – spouse, children, family, friends
- paid home health aides – average cost $30 per hour, costs vary depending on number of hours needed

Assisted Living

- costs can range from $3,000 per month to $8,000 per month, depending on the level of assistance needed
- For example, memory care can cost up to $10,000

Nursing Home

- average cost is $14,000 to $15,000 per month

Funding Sources for Long-term Care

In New York, Medicaid is the primary payer for long-term care services.

- Private Pay
- Medicare
- Medicaid
- Long Term Care Insurance
- Respite/Caregiver Support Grants
- Veteran's Programs

Medicare – What Does it Cover?

- **Hospital Stays**
- **Short term stay in nursing home following a hospitalization**
  - First 20 days, Medicare pays 100%
  - Days 21-100, Co-Pay of $176.00
  - No coverage after 100 days
- **Limited Home Care Coverage**
- **No coverage for custodial care at home**

Medicaid

Medicaid will cover long-term care services for people who are over age 65 and/or disabled if you meet the financial eligibility requirements

What does Community Medicaid pay for?

- Home Care
- Adult Day Care
- Assisted Living

Types of Community Medicaid

- **Waiver Programs – includes oversight and monitoring**
  - Nursing Home Transition Diversion (NHTD)
  - Traumatic Brain Injury (TBI) Waiver
- **Managed Long Term Care – task-based services**
  - Personal Care Assistant (PCA)
  - Consumer Directed Personal Assistance Program (CDPAP)

Community Medicaid Income and Asset Limits

Community Medicaid 2020 Income & Asset Levels		
	Individual Applicant	Couple
Income	$ 895	disregarded
Assets	$ 15,750	$ 74,820

Exempt Assets

- Principal Residence
- Burial Plot
- Pre-paid irrevocable burial contract
- Life Insurance Policy with a face value up to $1,500
- One automobile
- Retirement Accounts in Periodic Payment Status

Financial Eligibility for Medicaid

What if your income or assets are too high?

Assets

- Exempt transfers of assets
- Transfer assets to trust

Income

- Excess income - Pooled Supplemental Needs Trust

Transferring Assets to Qualify For Community Medicaid

- *Current Rule:* There is no lookback period when you apply for Community Medicaid

- Starting October 1, 2020 – there will be a 30 month lookback period for Community Medicaid applications

Irrevocable Trusts

- An Irrevocable Trust can be used to protect your assets and pass them to your children, if you plan far enough in advance.
- If properly established, you can apply for Medicaid and the assets in the trust will not be counted or have to be spent down for Medicaid eligibility purposes

Irrevocable Trusts

For the trust to qualify to protect your assets:

- **Trustee** – cannot be you or your spouse – can be children or other relatives. You reserve the right to change the trustee.
- **Trust Income** – you receive all the income from the trust
- **Principal Residence** – you maintain a life estate in your house
- **Trust Principal** – You cannot receive principal distributions from the trust (unless you do a Partial Revocation of Trust)
- **Upon your death** – trust assets go to your beneficiaries

Funding your Irrevocable Trust

- **What assets should be placed in a trust?**
  - Home
  - Stocks
  - Bonds
  - Investment accounts
  - Life Insurance with Cash Value
  - Extra Savings, Money Market or CDs

- **What assets to keep out of a trust?**
  - Checking account
  - Money to live on, fun money, walking around money

New Rule
October 1, 2020

If you transfer assets to a trust and need Medicaid before the 30 month lookback period has ended, you will have a penalty period

How to Avoid Penalty Period

- Create a trust well in advance of the time you may need Medicaid
- If not, other solutions
  - Gift and Promissory Note
  - Transfers to spouse
  - Exempt transfers to disabled child or caregiver child

How to Qualify for Medicaid with Income Spend-down

Deposit excess monthly income into a Pooled Supplemental Needs Trust (SNT) and use that money to pay bills and other expenses not covered by Medicaid

Using a Pooled Trust for Income Spend-down

Norma's total monthly income:	**$1,895**
Medicaid Income Limit:	- $895
Excess monthly income (spend-down)	= $1,000
Amount to Deposit to Pooled Trust	$1,000

After depositing the spenddown to the pooled trust, Norma will have

$1,000 in her trust account to pay bills and other expenses

What can A POOLED trust pay for?

For a person receiving Community Medicaid, the trust will typically pay for living expenses, such as:

- Rent or mortgage, property maintenance, and taxes
- Utility bills, cable, phone, etc.
- Groceries, clothing, and other personal needs
- Additional hours for home health aids not covered by Medicaid

Review of Rules

- Community Medicaid pays for you to stay in your home and receive care
- You can protect assets by placing them in a trust
- Currently there is no look back period for Community Medicaid
- Starting October 1, 2020, there will be a 30 month lookback period
- Plan in Advance!

Do you have these documents in place?

- Health Care Proxy
- Power of Attorney
- Will

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