

FINANCIAL SELF-DEFENSE: HOW WILL YOU PAY FOR LONG-TERM CARE?

BY BEN KINIRY, ESQ.

What will you do if your spouse or other loved one's health declines to the point of needing nursing care, either in the home or the community? Are you cognizant of how much it costs to pay for twenty-four hour care? The reality is nursing care costs can be in excess of \$13,000 per month. What financial position will a long-term care stay leave your spouse and other loved ones? How will you pay for care when you or your loved one runs out of assets?

The Medicaid program is the answer for many families. The following paragraphs explain what you should know about the Medicaid program as a starting point. The following paragraphs were taken from a writing by the National Academy of Elder Law Attorneys, Inc. (NAELA).

What Does Medicaid Cover?

Medicaid is a joint federal and state program that provides payment for medical care for persons unable to pay. Medicaid covers physicians' services, hospital care, supplies and other necessary services once a person has been made eligible for the program. It also pays for the expenses of long-term care in a nursing home.

The Medicaid program is administered independently in each state. While the basic eligibility standards are the same throughout the United States, there are significant differences between the state Medicaid programs.



Despite these differences, eligibility is generally based upon the amount of assets a person has along with the income that the person receives. Eligibility is determined at state Medicaid offices and, in the case of married individuals; the assets and income of both spouses are considered in the determination process.

It is important to distinguish between Medicare and Medicaid. Medicare is an insurance program providing payment for medical needs for persons 65 and over and for certain people with disabilities. All persons 65 and over, regardless of financial resources or income, are eligible for Medicare. Medicare and Medicare supplemental insurance, however, provide very limited coverage with regard to the cost of long-term care in nursing homes. These non-covered services must be paid privately by the individual, unless the individual has coverage under a long-term care insurance policy. Medicaid, on the other hand, pays for medical

needs for those of any age that have been determined to be eligible. In fact, a person with limited income and resources who has Medicare coverage may also qualify for Medicaid benefits.

Eligibility for Long Term Care

Medicaid is considered to be one of the most complex laws of the United States and, further complicating matters, each state has a different version of Medicaid. Many Elder Law attorneys have carefully studied the Medicaid statutes and regulations and are able to assist clients.

Medicaid is often of importance to middle-income Americans because Medicare does not cover the costs of long-term care for illnesses such as Alzheimer's disease or paralysis caused by a stroke. Most people who need such care for extended periods will eventually deplete their assets and become unable to pay the costs of their care.

At such time Medicaid is available to pay the difference between their income and the actual costs

of care provided in a nursing home, including room and board, as well as physicians' care, hospital care and all other reasonable necessary medical expenses. Medicaid covers the costs of such care in nursing homes, adult care homes, hospices, and, in appropriate cases, in the individual's own home.

If faced with the possibility of such long-term care expenses, there are certain rules that you should be aware of:

- In determining eligibility for Medicaid payment for long-term care expenses, the eligibility team will review the individual's actual need for care, the person's available resources (including life insurance and retirement plans) and income received from any source. In some states, if monthly income exceeds a certain amount, then the individual is ineligible for Medicaid, even though the individual's long-term care expenses exceed his or her income.

- In determining eligibility, a person will be disqualified from Medicaid for gifts made within the previous few years.

- In determining eligibility for one spouse, the assets and income for both spouses are considered, regardless of premarital agreements, community property laws or the nature of the ownership of the asset.

- Assets of married couples, however, receive special treatment so that the spouse who remains living at home will not be unduly impoverished. Such a community spouse is permitted to keep one-half of all of the available assets (up to a federally-established maximum) and is allowed to keep a minimal amount of income of the couple in order to provide for support expenses at home.

- In addition, there are certain resources that are considered

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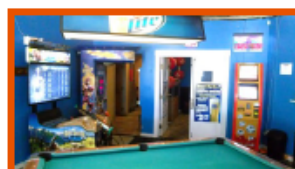
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(Con't. on pg. 19)



Finishing bird season we never did find any great number of woodcock. The once prolific game bird has had it's numbers constantly spiral downward due to loss of habitat. It is a sad issue.



Recently I was checking my ground blind, and came upon a tree stand that was only 25 yards from my blind. Perhaps he did not notice my blind. I left a polite note in a sandwich bag and tied it in his stand. Several days later I returned to see he had moved his stand. Yes there are some good sports folk out there! Thank You!

The other day I read an article about a hunter from Maine that took 13 shots to dispatch a deer. That reminds me of two hunters in Anticosti about five years ago. Our guide said these two each used a box of ammo to kill two deer each. The major issue with this is, how many deer were wounded? They should not be allowed to hunt.

Muzzleloader season started with a very wet day. A friend told me about his hunting partner that had a nice 8 point buck come broadside and close. The hunter shot, and all that the gun did was make a small fizzle. Three more percussion caps failed to ignite the powder. The deer went along on his way, leaving a very frustrated hunter behind. Black powder and wet weather can cause very serious issues as well as wet optics.



There seems to be a lot of coyotes out there. The second day I could hear them yipping a short distance away. On Monday, a big coyote came right up to me and I did not shoot it. I think I made a mistake letting it go.



The moose season ended with 77% hunter success. This does not mean our moose are doing well, rather, the hunt took place in prime Northern locations with good hunting weather, "cool." Powder Mill Hatchery has a discharge issue into Merrymeeting Lake. There are also many problems in the hatchery that I will mention later.

**Stay Safe,
Ron**

(Financial Self-Defense article cont'd. from pg. 18)

non-countable for eligibility purposes; these include the family residence, household contents, a vehicle, a prepaid burial fund and other necessary items.

- It is important to be aware of the state specific eligibility provisions and exemptions so that assets will not be unnecessarily spent down before applying for Medicaid." National Academy of Elder Law Attorneys, Inc.: Medicaid (2008)(NAELA).

Mistakes are Costly!

To say that applying for Medicaid benefits is a monumental undertaking is, for some families, a relatively accurate statement. There are many missteps that can be made and the consequences of doing so are, in many cases, permanent. Making a misstep, in large part, means that you will not be approved as soon as you should have been or that you will be responsible for a larger share of the nursing care cost than you otherwise would have been. Such mistakes can easily cost a family tens of thousands of dollars and can leave your spouse in a less than ideal financial position in regards to both income and assets.

Don't Go it Alone!

The point is, as a lay person, there is just too much to know and you won't be apprised of all of your legal rights by anyone other than a knowledgeable Elder Law Attorney (I would have you read this key sentence again). If you want to protect yourself, your spouse, parents or other loved ones, you will need to seek out professional advice. Experienced Elder Law Attorneys know the rules and, even more importantly, utilize the rules to your advantage.

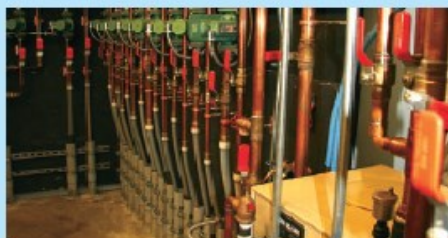
If you or someone you love is experiencing a decline in health or worse, I cannot stress enough how important it is for you to have an open discussion with an experienced Elder Law Attorney. Doing so will best serve your need to practice financial self-defense and ultimately provide you with peace of mind.

The information provided in this article does not constitute legal advice.



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