Cassandra G. Jones, Esq.
LICENSED IN NEVADA & CALIFORNIA

HERITAGE LAW GROUP, P.C.

Michael G. Millward, Esq.
LICENSED IN NEVADA & IDAHO

Long Term Care: Frequently Asked Questions

Approximately 50% of people over age 65 will need some level of assistance to meet their daily needs. This may mean having the assistance of friends and family, hiring an in-home caregiver, or moving to an assisted living or skilled nursing facility. Long term care planning is a comprehensive look at the best ways to maximize your resources, and the benefits that are available to you, so that you and your loved ones can get needed care in order to live abundantly.

- **What is the difference between Medicare, Medicaid & Long Term Care Insurance?**

Medicare is a program for anyone who is 65 years or older, or deemed disabled by the Social Security Administration. It is a program that is available regardless of your financial status. It is, in a very broad sense, medical insurance for our older citizens. Like insurance, it provides limited care for acute medical conditions. Like insurance, there are deductibles, co-pays, and limitations on coverage.

Medicaid is a program to provide medical care for low-income individuals. In Nevada, to qualify for Medicaid, an individual must be disabled (which is measured by qualifying for Social Security Supplement Income) or have low income and low assets. If you qualify, it covers the cost of medical care 100%.

Long Term Care Insurance is a private insurance product that you purchase and maintain, similar to purchasing a disability or life insurance policy. Long Term Care Insurance is not a government program. Depending upon the policy, it may provide a set dollar amount per day, usually for a limited period of time, to help offset the cost of hiring caregivers to assist you at home, or to offset the cost of nursing home care.

- **We do not need Medicaid, we have plenty of resources.**

Fantastic! But now is the time to ensure that your resources are properly arranged to provide the best care, for the longest period of time, for you and your loved ones. There are strategies to ensure that the cost of medical care and/or long term care do not rob you of the ability to leave a legacy for your family, or leave your survivor in poverty. The earlier you can plan, the more choices you have. Just because you will not need Medicaid, does not mean you should not have a plan that meets your long term care needs.

- **Is Medicaid the only option?**

No! There are many strategies to help provide for long-term care, including long-term care insurance, use of asset protection trusts, Veteran's benefits, grants, budgeting what you already have, and help from friends and family. Long-term care planning is a comprehensive look at the best way to maximize your resources, and the benefits that are available to you, so that you and your loved one can get the needed care to live abundantly.

- **What are the asset and income limits in order to qualify for Medicaid?**

In 2015, an individual applying for Medicaid to pay for Nursing Home Care can earn no more than $2,199 per month in income and have no more than $2,000 in assets. Certain assets are not considered by Medicaid in determining qualification, including a home with less than $552,000 in equity, a vehicle, household goods, and a pre-paid burial policy up to $1,500.

- **Can the at-home spouse keep more than that?**

Yes! An at-home spouse (also known as the community spouse) may keep at least one-half of the parties' assets. In 2015, the at-home spouse may keep a minimum of $23,844 or, with a proper court order, the at-home spouse may keep up to $119,220 even if that is more than one-half the assets. Additionally, in 2015, with a proper court order, the at-home spouse can keep up to $2,980 of the parties' joint income, even if that is more than one-half of the income.

- **What happens if the applicant's income is too high?**

A person is not automatically disqualified if his or her income is above the Medicaid limit. There are strategies that would enable an applicant to keep income above the Medicaid limit, but that "extra" income must be segregated into a specific trust and used solely for the applicant's care.

- **Can we keep the house?**

Yes, so long as the applicant intends to return, a dependent lives there, or the at-home spouse lives there, Medicaid does not count the house when determining eligibility. Even if a Medicaid lien is later put on the house, Medicaid cannot force the sale of the home so long as the at-home spouse or a dependent resides there.

There are provisions in Medicaid laws which allow transfer of a home to a spouse, certain children, or a sibling. These rules are complicated, and any transfer under the provisions must be carefully documented. The Attorney will discuss whether these strategies would be appropriate in your case during your consultation.

- **Why can't I just give my money and assets away to qualify for Medicaid?**

Medicaid looks back at the applicant's financials for a period of five years, and presumes that any transfer for less than fair market value was done with a fraudulent intent to qualify for benefits. Therefore, the applicant is penalized for any transfers in the last five years that cannot be accounted for. The penalty may disqualify the applicant from receiving Medicaid benefits for months or years. Do not start giving away assets without first discussing with the Attorney whether those transfers properly comply with Medicaid law.

- **What about a Medicaid lien?**

Medicaid is not free; rather, it is a cost-delayed program. Any benefits paid on a person's behalf will be recouped by Medicaid from his or her estate. However, Medicaid will not enforce that lien during the lifetime of the surviving spouse, or a dependent child, or a disabled child of any age. Therefore, Medicaid cannot force a surviving spouse from his or her home.