

MY MOTHER NEEDS LONG-TERM CARE RIGHT NOW... WHAT CAN I DO?

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WHAT IS LONG-TERM CARE?

- Nursing home
- Assisted living facility
- In-home care

- About 50% of healthy 65-year-old Americans will eventually require some form of long-term care
- A year in a memory care facility can easily cost \$60,000
- A year in a nursing home can easily run \$83,000

COMMON CONCERNS

- ◉ Can my parents stay safely in their home?
- ◉ Which facilities should we consider?
- ◉ How will my parents pay for their long-term care?
- ◉ How can we preserve their hard-earned money?
- ◉ Will their home be in jeopardy?
- ◉ What documents should they have in place?

IN-HOME CARE

- Most individuals want to remain at home for as long as possible.
- Considerations:
 - Is it safe to stay there?
 - Will a family member or friend be there to assist?
 - Is the bedroom on the first floor?
 - Are there other hazards in the home that make it unsafe to continue residing there?



FACILITY-BASED CARE

- ◉ Assisted Living Facilities - for individuals who need some assistance, but are still largely independent
- ◉ Nursing Facilities - for individuals who need assistance with several activities of daily living (walking, dressing, bathing, toileting, eating) and round-the-clock medical attention

FACILITY-BASED CARE

- Research and tour local facilities and ask others for recommendations
- If you anticipate paying for a nursing facility through Medicaid, search for facilities that accept Medicaid
- An elder law attorney can assist you in identifying suitable facilities, taking into account your income, medical needs, and potential public benefits

PAYING FOR LONG-TERM CARE

- ◉ Private pay
- ◉ Long-term care insurance
- ◉ Medicare
- ◉ Veterans Administration
- ◉ Medicaid



PRIVATELY PAYING FOR LONG-TERM CARE

- ◉ Most expensive way to pay
- ◉ Write a check directly to the provider
- ◉ Benefits: Simplicity, tax deductible
- ◉ Drawback: Expenses quickly add up, depleting your hard-earned savings; eventual impoverishment

LONG-TERM CARE INSURANCE

- ◉ Another way to pay for long-term care
- ◉ Purchase a LTCI contract from an insurance company
- ◉ May cover in-home care, assisted living facility, and/or nursing home
- ◉ Usually provides a certain dollar amount per day, capped at a maximum benefit amount
- ◉ Some of the newer products are a life insurance / long-term care insurance hybrid
- ◉ Drawbacks: Increases in premiums and unavailability due to pre-existing conditions

MEDICARE

- Two potential benefits, both limited as to services provided:
 - Covers some skilled services (for example: RN, PT, OT...) for housebound individuals pursuant to a physician's plan of care.
 - Medicare will not pay for home maker or personal care services
 - Pays a maximum of 100 days in a skilled nursing home for rehab following a 3-day hospital stay

VETERANS ADMINISTRATION

- ◉ Aid and Attendance pension benefit
- ◉ Assists with the payment of qualified in-home care expenses, assisted living facility expenses, and nursing home care.
- ◉ Maximum of \$2,120/mo. (veteran with a spouse/dependent)
- ◉ Available to surviving spouse of veteran, up to \$1,149/mo.
- ◉ Income and asset tests

MEDICAID

- Nursing home
- In-home care:
 - CBC
 - PACE
- Generally pays the difference between your monthly income and your long-term care expenses
- Strict income and asset rules
- 5-year lookback period
- Proper planning will permit you to preserve more of your assets

GET AN ELDER LAW ATTORNEY INVOLVED EARLY

- ◉ An experienced elder law attorney can help you determine the best way to pay for long-term care
- ◉ Analyze your financial situation and which benefits you may be eligible for
- ◉ Two types of planning:
 - Crisis planning: Need for care is imminent
 - 5-year planning: Anticipated need for care down the road; greater ability to protect and preserve assets

QUALIFYING FOR PUBLIC BENEFITS

- ◉ An elder law attorney can assist you in arranging your assets to help you qualify financially for VA Aid & Attendance or Medicaid
- ◉ Tools used: Irrevocable trusts, pre-paid burials, savings bonds, home modifications, single premium immediate annuities, care agreements or transfers of assets

5-YEAR PLANNING

- Medicaid only considers transfers within 5 years of the application
- If Medicaid is not considered necessary for 5 years, transfer excess resources to an irrevocable trust.
 - Reserve right to live in home
 - Reserve right to determine beneficiaries at your death

PROTECTING THE HOME WHEN IN CRISIS

- ◉ The home is a non-countable resource for Medicaid eligibility until it ceases to be the individual's principal place of residence.
- ◉ Six month rule
- ◉ Exceptions to general rule:
 - If home occupied by the individual's spouse, minor dependent child under age 18, parent or adult child who is disabled and was living in the home for at least one year prior to institutionalization, who is dependent upon the person for his shelter needs
 - Good faith effort to sell

TRANSFER STRATEGIES TO CONSIDER WHEN IN CRISIS

❖ Exempt Transfers:

- Transfer to a community spouse
- Transfer home to a child who is under 21, blind, or disabled
- Transfer to a caregiver child
- Transfer to a qualified sibling

(Do so only with an elder law attorney's assistance)

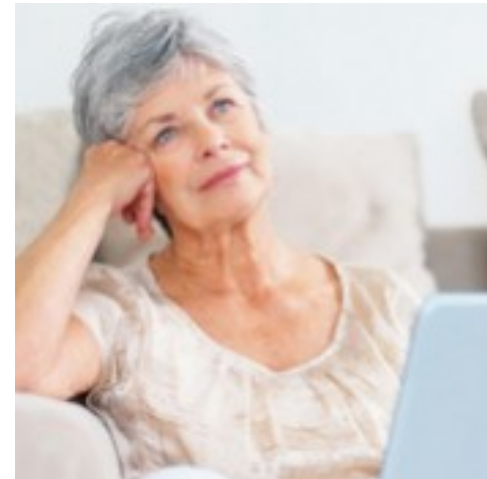
❖ Non-Exempt Transfers:

- Transfer to a child outright
- Transfer to a child and retain a life estate
- Transfer to a child and reserve a right to use & occupy
- Transfer to an irrevocable trust



RECOMMENDED ESTATE PLANNING DOCUMENTS

- ◉ Power of Attorney with authority to make transfers
- ◉ Advance Medical Directive
- ◉ HIPAA Release
- ◉ Will
- ◉ Trust, if circumstances warrant
- ◉ Last resort: Guardianship



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