



# How to Qualify for Long-Term Care Benefits

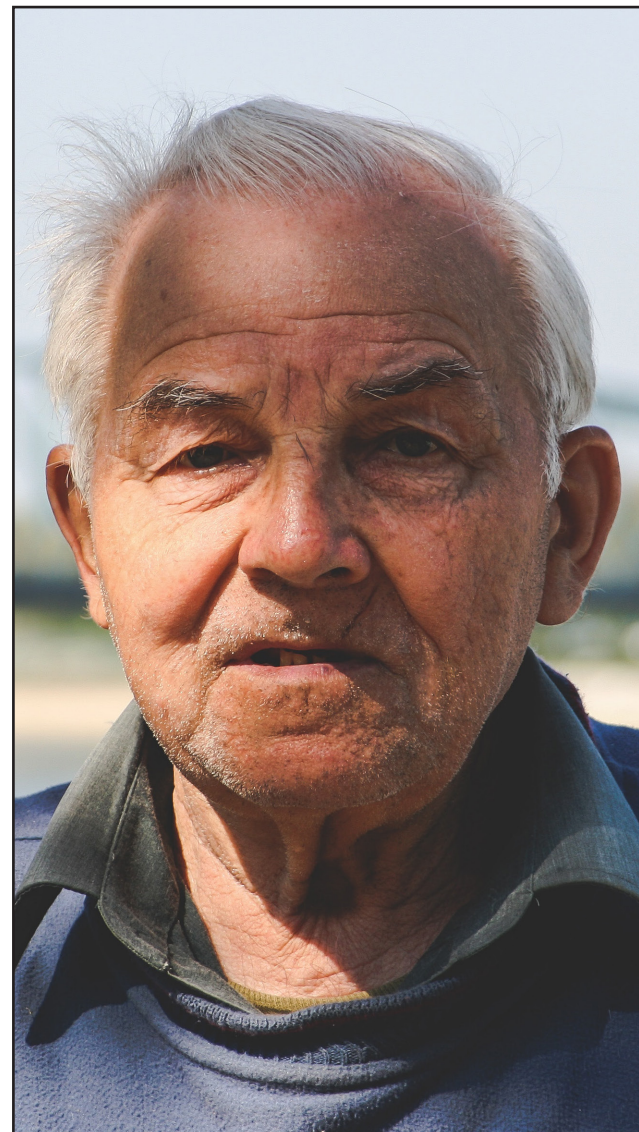


An important part of the entire retirement planning process is the positioning of the estate to help protect it often by choosing the right type of Trust for the particular circumstance. This will make it more possible to qualify for the state and federal benefits designed to cover the rising cost of long-term care. The two main benefits: Assisted Living (AL) Waiver and Skilled Nursing Facility (SNF) benefit.

## Assisted Living (AL) Waiver

The Assisted Living Waiver (AL Waiver) is a program designed to provide home and community-based services to individuals who are elderly or disabled and at risk of being placed in a nursing home. The goal is to allow these individuals to remain in their homes or community settings while receiving the necessary care and support. Here are the key aspects of the AL Waiver:

1. **Eligibility:**
  - Individuals must meet specific financial and medical criteria to qualify.
  - They must be at risk of needing institutional care, such as a nursing home.
2. **Services Provided:**
  - **Personal Care:** Assistance with daily activities such as bathing, dressing, and grooming.
  - **Homemaker Services:** Help with household tasks like cleaning, laundry, and meal preparation.
  - **Respite Care:** Temporary relief for primary caregivers.
  - **Adult Day Health Services:** Daytime care that includes health, social, and therapeutic services.
  - **Companion Services:** Non-medical care, supervision, and socialization.
  - **Home-Delivered Meals:** Nutritious meals delivered to the individual's home.
3. **Benefits:**
  - Helps individuals maintain independence and stay in their homes.
  - Reduces the need for more costly institutional care.
  - Provides a range of supportive services tailored to individual needs.



# Skilled Nursing Facility (SNF) Benefit

The Skilled Nursing Facility (SNF) benefit is a Medicare program that covers the cost of skilled nursing care for individuals who require medical or rehabilitative services following a hospital stay. Here are the key aspects of the SNF benefit:

## 1. Eligibility:

- The individual must have Medicare Part A and have days left in their benefit period.
- A qualifying hospital stay of at least three days is required before admission to a Skilled Nursing Facility.
- The individual must need daily skilled care that can only be provided in a SNF.

## 2. Services Provided:

- **Skilled Nursing Care:** Includes services such as wound care, intravenous (IV) therapy, injections, and monitoring of vital signs.
- **Physical Therapy:** Rehabilitation services to help regain strength and mobility.
- **Occupational Therapy:** Assistance with relearning daily activities and improving fine motor skills.
- **Speech-Language Pathology:** Therapy to address speech, language, and swallowing disorders.
- **Medical Social Services:** Support and counseling for emotional and social issues related to illness or injury.

## 3. Coverage:

- Medicare covers the full cost for the first 20 days of SNF care.
- From days 21 to 100, there is a daily coinsurance amount.
- After 100 days, the individual is responsible for all costs.

These benefits are crucial for providing the necessary support and care to individuals as they age, ensuring they can maintain their quality of life and independence for as long as possible.



## If Long Term Care is Needed

If a retired couple realizes they need long-term care but haven't protected their assets in the proper type of trust, they may face significant financial challenges. Here's what typically happens and how care may have to be paid:

### Immediate Financial Impact

#### 1. Asset Spend-Down:

- They will likely need to spend down their assets to qualify for Medicaid. This means using their savings, investments, and other assets to pay for care until they reach the asset limit set by Medicaid, which is generally very low (e.g., \$2,000 for an individual). In effect, unless your assets are protected in the proper type of trust, you may be forced to draw down bank accounts in order to pay out-of-pocket to pay for 100% of the care necessary.

#### 2. Home and Property:

- If they own a home, one spouse can continue living there, but the home may be subject to a lien to recover Medicaid costs after both spouses pass away. This may prevent the family home from passing to the next generation.

#### 3. Income Allocation:

- A portion of their income may need to be allocated to pay for care. Medicaid allows the healthy spouse (community spouse) to keep a certain amount of income, but the rest may go towards the cost of care.

### Paying for Care

#### 1. Private Pay:

- Initially, they will have to pay out-of-pocket for assisted living or long-term care until their assets are depleted. This can be very expensive, with costs varying widely depending on the facility and level of care required.

#### 2. Medicaid:

- Once their assets are sufficiently spent down, they can apply for Medicaid, which can cover the cost of long-term care. However, Medicaid has strict eligibility requirements, including a five-year look-back period to ensure no assets were improperly transferred to qualify for benefits.

#### 3. Other Options:

- Long-Term Care Insurance: If they have a long-term care insurance policy, it can help cover some of the costs.
- Veterans Benefits: Veterans and their spouses may qualify for benefits that can help pay for long-term care.
- Family Support: Sometimes, family members may contribute to the cost of care.
- Reverse Mortgage: If they own their home, a reverse mortgage can provide funds to pay for care, though this can affect the estate left to heirs.

### Legal and Financial Planning

#### 1. Consulting an Elder Law Attorney:

- It's crucial to consult with an elder law attorney who can help navigate the complexities of Medicaid planning and asset protection, even if they are already in a nursing home. There may still be strategies available to protect some assets.

#### 2. Establishing Trusts:

- While it's ideal to set up asset protection trusts well in advance, there may still be options to transfer assets into certain types of trusts that can help protect them from being used for long-term care costs, though this must be done carefully to avoid penalties.

In summary, without proper asset protection, a retired couple may need to spend their savings and assets to pay for long-term care. However, there are still strategies and resources available to help manage these costs, and consulting with professionals can provide valuable guidance.

# The Importance of Protecting Assets in a Proper Trust

When planning for retirement and potential long-term care needs, protecting your assets is crucial. Choosing the right kind of trust can safeguard your wealth from being spent by nursing home costs and may help ensure that you qualify for state and federal benefits. Here's why it's essential to protect your assets in a proper trust:



## Shielding Assets from Nursing Home Costs

One of the primary benefits of placing your assets in a trust is the protection it can offer from nursing home costs. By transferring your assets into a properly structured trust, you can shield them from being counted towards Medicaid eligibility. This means that after the five-year look-back period has expired, you could qualify for Medicaid benefits without having to spend down your assets.

## Qualifying for Benefits

Medicaid has strict financial criteria that must be met to qualify for benefits. By using a trust, you can help ensure that your assets are protected and not considered when determining your eligibility. This allows you to receive the care you need without depleting your estate.

## Upgrading Your Accommodations

A significant advantage of having your assets in a trust is the ability to upgrade your accommodations. While Medicaid covers basic care, you may want to enhance your living conditions. With the right trust, your trustee can use the funds to pay for the difference, allowing you to enjoy better accommodations and amenities.

## Maintaining Protection for Your Family

By protecting your assets in a trust, you help ensure that your wealth is preserved for your family. This means that even as you receive the care you need, your estate remains intact and can be passed on to your heirs. This can provide peace of mind, knowing that your loved ones will benefit from your careful planning.

## Key Benefits of Using a Trust:

- **Asset Protection:** Helps to safeguard your wealth from being spent for long-term care costs.
- **Medicaid Eligibility:** Helps ensure you qualify for benefits without spending down your assets.
- **Enhanced Living Conditions:** Allows your trustee to help upgrade to your accommodations, providing a higher quality of life.
- **Estate Preservation:** Helps keep your estate intact for your beneficiaries, ensuring your legacy is protected.

In summary, protecting your assets in a proper trust can be a vital part of retirement planning. It not only helps ensure that you qualify for necessary benefits but also provides options to help you maintain a quality standard of living and assist in the preservation of your estate for your family. At Affinity Advisory Network, we are here to help you navigate the complexities of trust planning and help secure your financial future.

For more information or personalized advice, please contact our team. We are dedicated to helping you achieve peace of mind and financial security.

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