

Welcome

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Pierrolaw.com/Resources Under Medicaid Planning**
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WATCH ALL MEDICAID MONDAY VIDEOS:

January	2023 Update and the Surprising New Numbers
February	Qualifying and Why It's Become Harder
March	Medicaid Asset Protection Trusts
April	Using a Pooled Trust to Qualify for Medicaid Home Care
May	Nursing Home Medicaid
June	What Happens If You're Denied?
July	Recertification and Post-COVID Protocols
August	Planning for Individuals With a Disability
September	Immediate Needs
October	Consumer Directed Personal Assistance Program (CDPAP)

<https://www.pierrolaw.com/medicaid-planning-videos/>

AGENDA

- Medicaid Numbers: a Refresher
- Using Home Equity to Fund Your Long-Term Care
- Long-Term Care Insurance



INCOME LEVELS ROSE IN 2023

Landmark Medicaid Increases Passed in NYS Budget:
Same income limit will be used for younger people under
Affordable Care Act and for Age 65+, blind & disabled

YEAR	INCOME / MTH		ASSET LIMIT	
	SINGLES	COUPLES	SINGLES	COUPLES
2023	\$1,677 + \$20	\$2,268 + \$20	\$30,182	\$40,821
Difference over 2022	+\$743	+\$901	+\$13,382	+\$16,221

Institutionalized Individual Income Allowance remains the same: \$50

Using Home Equity to Fund Your Long-Term Care

Frank Melia, Division Manager, Contour Mortgage



Aging In Place: Frank Melia, CMPS

LTC Funding Alternatives

Short Term Borrowing

Long Term Borrowing

Different types: Home Ownership



H.E.C.M.

Home Equity Conversion Mortgage

AKA-REVERSE MORTGAGE

Program has been around since Reagan Administration / FHA & HUD

To Qualify: Address, approximate market value of home, DOB's, & lien amounts, interest rate

Obligations / Annual real estate taxes-HOI/Flood/HOA fees / Gross monthly income amount

Safeguards:

Mandatory face-to-face meeting or a phone call with a HUD approved counselor

Financial Assessment – 2014 Income/Credit/Willingness & Capacity

NBS feature – Non-Borrowing Spouses are protected with loan program.





H.E.C.M.

Home Equity Conversion Mortgage

AKA-REVERSE MORTGAGE

(cont.)

L.E.S.A. - Ability to pay for Taxes & Insurance by Choice or to receive loan approval

Non-Recourse Loan / Collateral is Property / Non-Borrowing Owners

With NO required monthly mortgage payments, borrowers are obligated to pay RE taxes, HOI - LESA

NO pre-payment penalties

Ownership: JTWROS, JTENN, Life Estate, Individual, - We approve Life Estate, Rev Trust, Irrevocable Trust/MAPT



Home equity could trump Medicaid for LTC planning, expert says

T

One option is self-funding through a combination of **income** (Social Security and pensions), **home equity** (through a sale or reverse mortgage), and an **investment portfolio**," he writes.

"Another option is to take out a **long-term care insurance policy** to fund all or a portion of expected long-term care expenses. You can take out a traditional long-term care insurance policy that covers any type of long-term care but pays nothing if you never need long-term care."

Long Term Care / Insured / Un-Insured / Self Insured:

Tuesday, April 18, 2023

Assisted-living homes are rejecting Medicaid and evicting seniors

Assisted Living Industry says Medicaid does not pay facilities enough to maintain care.

“According to recent Vanguard research, about 80% of Americans over the age of 60 are homeowners, and housing wealth accounts for nearly half of their median net worth,” “This could mean that many homeowners nearing retirement are, in fact, sitting on (or, rather, sleeping in) a significant amount of potential retirement income.”

Short Term Needs: Unsecured loans, HELOC, Family, Bridge Loans

Long Term Needs: LTC Policy, HELOC, HECM-LOC, RMD's, Portfolio



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Helping Retirees Age in Place Safely for over 20 years

Long-Term Care Insurance Options

Bob Vandy, President, Advisors Insurance Brokers



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Creative Planning for Long Term Care

- ▶ Pierro, Connor & Strauss – Medicaid Monday – 11/13/23

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Today's LTC Insurance Options in NY

- Traditional LTCI
- “Linked Benefit” Life/LTC
- Life Insurance with “Living Benefit” Rider



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Traditional LTC Insurance

- ✓ Generally the strongest “benefit per premium dollar” coverage ratio
- ✓ If coverage not needed, benefit at death only available if ROP is chosen
- ✓ Premiums generally not guaranteed
 - ✓ Old policies vs. new policies
- ✓ NYS Partnership – present & future

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Linked Benefit Policies

- ✓ Base of relatively small death benefit life insurance
- ✓ Can fund with single or 5/10 annual premiums
- ✓ Premiums generally guaranteed
- ✓ Added layer of LTC Insurance coverage
- ✓ ROP if you “walk away”

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Life Insurance with Living Benefit Rider



- Can be Universal Life, Whole Life, even Term life
- Death benefit may be “accelerated” to pay for LTC needs
 - Sometimes may use “chronic illness”
- Usually lower or no cash value designs
- Premiums generally guaranteed
- Larger death benefit compared with Linked Benefit policies



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Which One's "Best?"



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It Depends!



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Quick Hypothetical Premium Comparison*

60-Year-Old Female – Standard Underwriting - No Inflation benefit - 90 day “EP” (e.g. “deductible”)

Policy Type	Linked Benefit	Life Insurance with LTC Rider	Traditional LTCI
LTC Benefit Max Amount	\$300,000 (\$6,250/mo. – 4 years)	\$300,000 (\$6000/mo. – 50 mos.)	\$300,000 (\$6,000/mo. – 4.2 yrs.)
Death Benefit Amount	\$150,000	\$300,000	\$0 (no ROP) Total premiums paid less Claims (w/ROP)
Premium	\$96,894 Single (or \$9,689 x 10 years)	\$7,215/yr. (lifetime)	\$3,057/yr. (lifetime – no ROP) \$4,096/yr. (lifetime – w/ROP)
Total Aggregate Premium at Age 80	\$96,894	\$144,300	\$61,140 (no ROP) \$81,920 (w/ROP)

* Actual rates determined by age, health and benefit design

Considerations

- ✓ Premium/Affordability
 - ✓ Traditional LTCI will be least expensive vs. Linked Benefit or Life Insurance with a rider
- ✓ Importance of death benefit if care not needed?
- ✓ Concerns over potential future rate increases?
- ✓ Inflation coverage?

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Other Considerations

- ✓ Do I want to be Medicaid Pay or private Pay?
- ✓ True Freedom (non-insurance) option
- ✓ Status of NYS “LTC Trust Act”
- ✓ Life Settlements

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Questions?

- Thanks for Attending!
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Thank You!
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