

Starting Soon...

Medicaid Monday: Creative Planning for Long-Term Care With and Without Medicaid

Nov. 13, 2023

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Welcome

- Your Lines Are Muted
- Type Questions in the Q&A Section at the Bottom of Your Screen
- Presentation is Posted:
 Pierrolaw.com/Resources Under
 Medicaid Planning
- Fill Out Our Survey with Feedback





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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

INCOME / MTH

ASSET LIMIT

YEAR	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 Manger, Contour Mortgage







H.E.C.M.

Home Equity Conversion Mortgage

AKA-REVERSE MORTGAGE

The Melia & Bocelli Team

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



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

Home equity could trump Medicaid for LTC planning, expert says

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
<u>Assisted-living homes are rejecting Medicaid and evicting seniors</u>

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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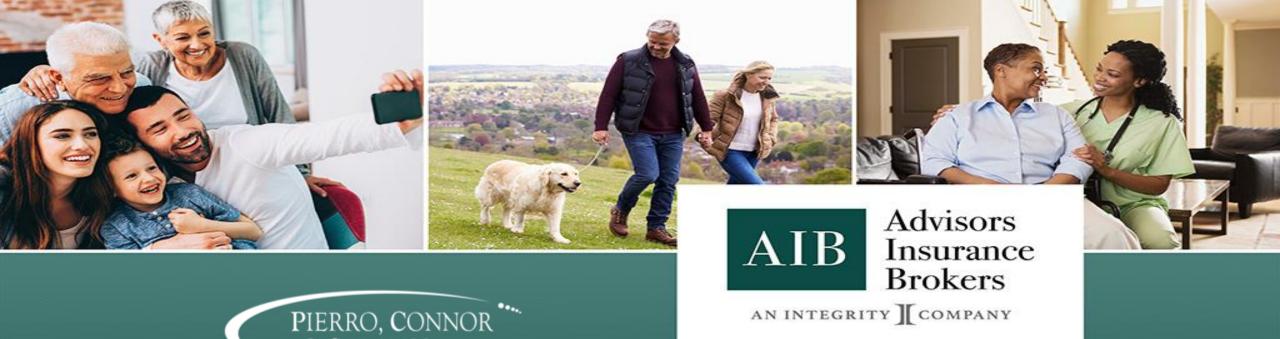
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Helping Retirees Age in Place Safely for over 20 years

Long-Term Care Insurance Options

Bob Vandy, President, Advisors Insurance Brokers





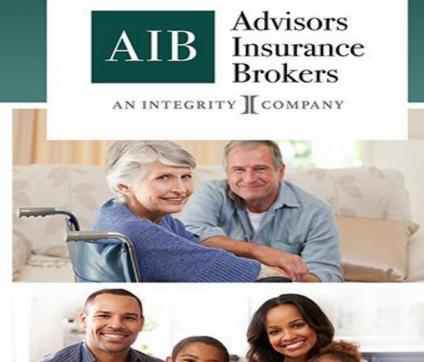


Creative Planning for Long Term Care

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

Today's LTC Insurance Options in NY

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







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



AN INTEGRITY COMPANY







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"









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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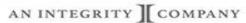
Which One's "Best?"



20







It Depends!





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	* Actual
Total Aggregate Premium at Age 80	\$96,894	\$144,300	\$61,140 (no ROP) \$81,920 (w/ROP)	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?





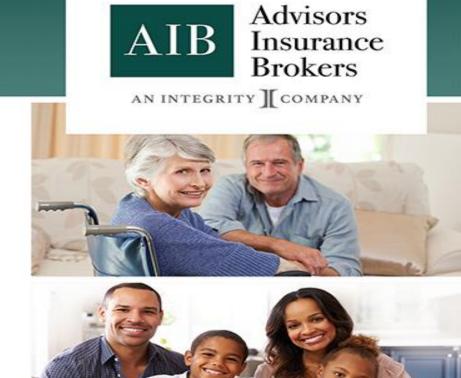






Other Considerations

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

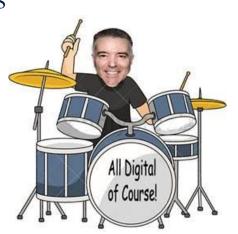




Questions?

Thanks for Attending!

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Thank You! QUESTIONS?

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Consultation for
yourself, a loved one
or clients:

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