

Starting Soon.....

Medicaid Monday: “Qualifying for Medicaid Home Care and Pooled Trusts”

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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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Agenda 3.11.24



- Revised eligibility numbers
- Home Care – still no lookback
- Medicaid Asset Protection Trusts
- Pooled Trusts
- What this means for applicants and their families



NEW 2024 MEDICAID ELIGIBILITY NUMBERS

Monthly Income

	2024	2023	Difference
Individual (at home)	\$1,732 +\$20	\$1,677 +\$20	\$ 55
Couple (both at home)	\$2,351 +\$20	\$2,268 +\$20	\$ 83
Community Spouse Income Allowance	\$3,853.50	\$3,715.50	+\$138
Institutionalized Spouse Income Allowance	\$ 50		

NEW 2024 MEDICAID ELIGIBILITY NUMBERS

Resources			
	2024	2023	Difference
Individual	\$31,175	\$30,182	\$ 993
Couple	\$42,312	\$40,821	\$1,491
Comm. Spouse Resource Allowance	\$74,820 ¹		

1 - \$74,820 (or the spousal share of 1/2 combined resources up to a maximum of \$154,140)



TODAY: Home Care Eligibility

Community Medicaid

- Home health care
- Assisted living facility
- Medicaid managed long-term care
- Adult day care
- No lookback under current rules

Medicaid Monday in May: We'll Cover Chronic Care Medicaid

- Nursing home care
- 5-year lookback
- Transfer penalties = # of mos.





Home Care: Window Of Opportunity Still Open

No lookback for asset transfers until 2025
-based on current DOH Guidance

- Implementation of law imposing a 30-month lookback on applicants for asset transfers after Oct. 2020 has been **delayed multiple times**



Medicaid Asset Protection Trust



Used to hold assets (house, stock, life insurance with cash value) in excess of Medicaid allowance

MAPT Advantages

- › **Probate avoidance**
- › **Ability to distribute assets** outright or in further trust upon death of Grantor
- › **Ability to hire and fire** trustees at any time
- › **Access to income and assets** within the trust, if done properly
- › **Ability to revoke** an irrevocable trust with consent of beneficiaries

Case Study: Meet Barbara

Barbara Brooks | Age 86 | Widow

Barbara is 86 and lives alone. She has diabetes and hypertension with some mild dementia.

Her daughters live local and help when they can, but she had a fall recently and now requires more support to assist her with activities of daily living.



Using MAPT

Income

Social Security: \$2,300

Pension: \$1,500

Dividends/Interest from
Trust - \$2,702.00

TOTAL: \$6,502/month

Assets

Cash/Stock from Sale of
Home: \$381,175

Life Insurance - \$50,000 of
Cash Value

Monthly Expenses: \$5,925/mth

First – Legal Planning for Barbara’s Assets: she creates and funds the Medicaid Asset Protection Trust with her cash, stock and life insurance policy

Medicaid Asset Protection Trust (MAPT)

Clients

Assets



Income

- Trustee – manages trust assets
- Beneficiaries
 - Barbara – income for life
 - Heirs = Children and Grandchildren inherit when trust ends

MAPT

Barbara Transfers:

- ▶ Cash & Stock
- ▶ Life Insurance

And if she had:

- ▶ Home
- ▶ Additional Stock/Bonds
- ▶ Annuities
- ▶ Business
- ▶ Real Estate

Medicaid Asset Protection Trust

- Income is hers
- Principal can NOT be given back to Barbara directly, but
- Principal can be given to children or other beneficiaries

MAPT

KEEP OUT

Barbara's
Cash in her
Bank Acct.

(If she had an IRA, that
would stay out too)

Security Features

- Choose initial Trustee, and change at any time
- Choose initial beneficiaries, and change at any time
- With the consent of all beneficiaries, in some jurisdictions the trust can be "amended or revoked"

Applying For Medicaid

Barbara's Assets now make her eligible for Medicaid by April 1

- ▶ Assets: \$31,175

What About Her Income?

Income

Social Security: \$2,300

Pension: \$1,500

Dividends/Interest from Trust -
\$2,702.00

TOTAL: \$6,502/month



What is a Pooled Trust and When to Use?



Irrevocable pooled supplemental needs trust (d4C) established and managed by a non-profit organization to help people with disabilities:

1. Preserve excess income to pay expenses
2. Maintain benefits and protect unexpected windfalls of money
3. Transfer assets to a 3rd party trust for person with disability



Why Join a Pooled Income Trust?

Qualify	Medicaid home care or CDPAP
Qualify	Assisted Living Program (ALP)
Qualify or maintain	Waiver Services (NHTD/TBI/OPWDD)
Avoid	Nursing Home
Transition from	Nursing Home back to the community
Supplement	Medicare benefits and reduce health expenses



What Happens to Funds I Deposit?

1. Deposit Spend-down Electronically or by Check

One-time enrollment and monthly costs deducted from deposit

2. Submit Requests to Trustee for:

- ▶ Basic living needs and expenses
- ▶ Items and services for beneficiary
- ▶ Reimbursements to third parties
- ▶ Supplement benefits and uncovered medical expenses

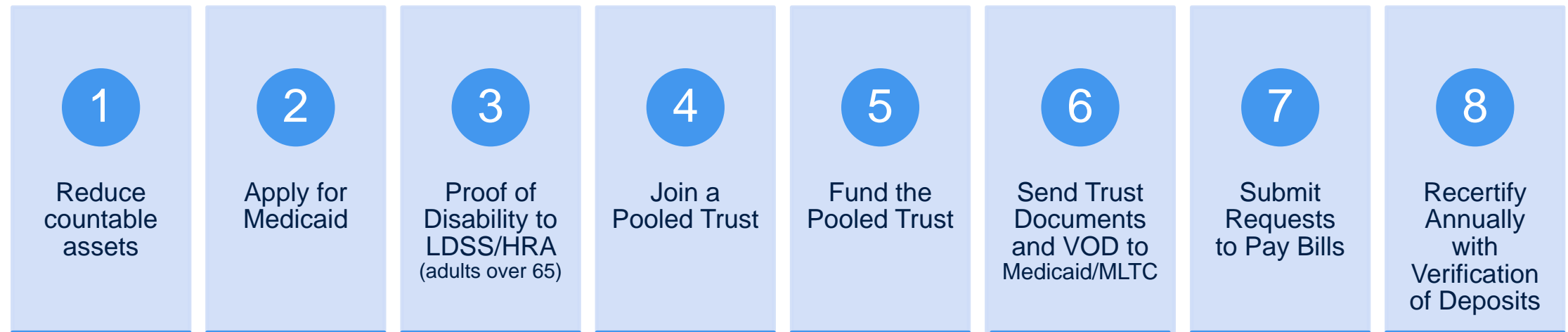
Do **NOT** use beneficiary's cash or checking account for purchases

3. Unspent Funds Retained by Non-Profit at Death



Getting Started:

Establish a self-settled pooled trust when you are receiving or ready to receive Medicaid services!





Barbara's Pooled Trust

Barbara's Excess Income = \$4,750/mth

- \$303 approx. monthly cost of pooled trust*

Pooled Trust Available Balance = \$4,447/mth

Barbara's Total Monthly Expenses = \$5,925/mth

- \$2,000/mth rent
- \$125/mth electric bill on balanced billing
- \$200/mth cable/internet/phone
- \$300/mth food expenses
- \$200/mth cleaning services
- \$100/mth life insurance policy
- \$3,000/mth additional hours of home care (100 hrs @ \$30/hour)

Recap of Financials

Income:

Barbara's can leave \$1,752 of monthly income in her bank account each month, which can be used by Barbara

Pooled Trust has an additional \$4,447 per month of usable funds for Barbara's monthly expenses

Total Usable Income - \$6,199

Assets:

Up to \$31,175 assets in Barbara's name + additional assets in MAPT

**Monthly administrative fees estimated and vary by pooled trust*



Barbara's Monthly Expenses = \$5,925/mth

Bank Account \$1,752/mth	Pooled Trust \$4,447/mth	Available Assets
\$300/mth food and purchases	\$2,000/mth rent*	Up to \$31,175 in assets
\$100/mth life insurance	\$125/mth electric*	Assets in MAPT
\$200/mth cleaning services	\$200/mth cable/internet/phone	
\$1,152/mth left over	\$2,122/mth left for addt'l hours	

**Expenses that are the same amount each month can be paid automatically*



Timing Barbara's Pooled Trust Disbursements

E-Deposit on 4th of each month
8th first day funds eligible for payment

Bill	Bill Due Date	Payment Date
Rent	due 1 st	Schedule autopay on 20th for the following month
Electric Bill	due 17 th	Schedule autopay on the 8th of each month
Cable/Cell Phone	due 20 th	Submit bill on 4th of each month

Does a Pooled Trust work with Nursing Home Medicaid?



- ▶ **NO!**
- ▶ But...
- ▶ If someone is approved for chronic care Medicaid and then returns home after recovering, their chronic care Medicaid benefits can be converted to community Medicaid and a pooled trust established at that time.
 - ▶ Same process as discussed earlier (requires disability approval and revised budget from local Medicaid office)



What if Nursing Home Medicaid is Needed after Setting Up a Pooled Trust?

- ▶ Stop making monthly deposits starting the month that placement occurs.
 - ▶ Chronic Care Medicaid requires all monthly income minus deductions (\$50.00 and health insurance premiums) to be paid to the nursing home
- ▶ Use any remaining funds within the pooled trust sub-account for the beneficiary
- ▶ Request 60 months of financial records from pooled trust showing sub-account activity for lookback period.



Can You Switch Pooled Trusts?

- ▶ **Yes!**
- ▶ Step 1 – contact the pooled trust you wish to move to (helps ensure a smooth transition)
- ▶ Step 2 – Complete Joinder Agreement with new Pooled Trust
- ▶ Step 3 – Compile any other needed documents for new enrollment (proof of disability, proof of spenddown, etc...)
- ▶ Step 4 – Stop deposits with previous trust, spend down funds from previous account or request disbursement from former trust to new trust
- ▶ Step 5 – Set up monthly deposits with new trust
- ▶ Step 6 – Send accepted joinder agreement with new trust to local Medicaid office

NEXT MEDICAID MONDAY

12-12:30pm
April 8, 2024

Navigating Care At Home:
Finding Care and
Paying for It

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- Thurs., May 16
- 8:30am-3:00pm
- The Desmond, Albany
- Or Live Stream
- Free to Attend
- 6 CEs for Social Workers



Thank You!
QUESTIONS?

**Schedule a legal
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