

*Starting Soon...*

# **Medicaid Asset Protection Trusts (MAPT)**

May 13, 2024

**Aaron E. Connor, Esq.**  
Managing Partner

**Frank E. Hemming III, Esq.**  
Senior Associate Attorney



# Welcome

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- ▶ **Type Questions** in the Q&A Section at the Bottom of Your Screen
- ▶ **Presentation is Posted:**  
Pierrolaw.com/Resources Under Medicaid Planning
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# Our Team Of Attorneys



Louis Pierro



Aaron Connor



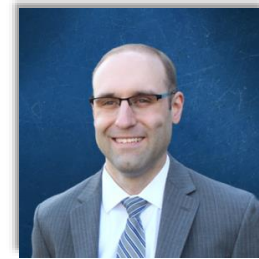
Peter Strauss



Caryn Keppler



Richard Rothberg



Frank Hemming



Anthony Khatchoui



Arkley Mastro



Robert Bosman



Michael Mullaney



Theresa Skaine



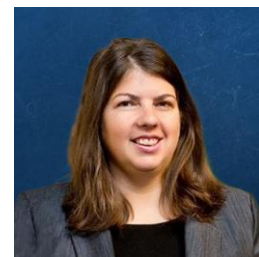
Kristen Peck



Jacob Verchereau



Patricia Whelan



Kimberly Gallo



Tommaso Marasco

## Serving New York State Residents Through Offices in:

Albany, New York City, Ronkonkoma, Garden City, Hudson, Lake Placid, Utica  
Also licensed in New Jersey, Massachusetts and Florida

# Agenda 5.13.24

- Recap: 2024 Medicaid Numbers
- Exempt Assets
- Medicaid Asset Protection Trust
- Example: Medicaid Home Care Using MAPT
- Documents & Deadlines



# 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		

# 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 <sup>1</sup>		

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

# Exempt Assets

Some assets that are exempt:

- \$31,175
- Pre-paid burial
- Income producing business assets
- Life insurance – face value less than \$1,500!
- IRA in “Periodic Payment Status” – *major exception, include Roth IRA’s*
- One Car

**Non-Exempt Assets= EVERYTHING ELSE!**

# Your Home

- Exempt if you, a spouse or minor or disabled child lives there
- Transfer exemptions
  - Caretaker Child (2 yrs.)
  - Sibling with an Equity Interest (1 yr.)
  - Disabled Child
  - Spouse
- Intent to return home
  - Subjective Intent OK
- Liens + Estate Recovery





# Transfer of Assets

- Lookback Period
  - Nursing Home, 5 yrs.
  - Home Care,
    - 2 ½ yrs. lookback expected .. 2025?
- Penalties for Transfers
  - Penalty = number of months before Medicaid will pay for care



# Medicaid Asset Protection Trust



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

# Medicaid Asset Protection Trust (MAPT)

**Clients**

**Assets**



**Income**

- Trustee - manages trust assets
- Beneficiaries
  - Client - income for life and right to use real property
  - Heirs = Remaindermen - inherit when trust ends

# MAPT

- ▶ Home
- ▶ Bank Accounts
- ▶ Stocks & Bonds
- ▶ Annuities
- ▶ Life Insurance
- ▶ Business
- ▶ Real Estate

## Medicaid Asset Protection Trust

- Income is yours if you want it
- Principal can NOT be given back to you directly, but
- Principal can be given to children or other beneficiaries

# MAPT

## KEEP OUT

Cash

Bank Acct.

IRA, 401(k)

## 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”

# 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

# MAPT Advantages

- › Ability to qualify for **Nursing Home Medicaid** in 5 years
- › Ability to qualify for **Community Medicaid** immediately\*

**\* IF you apply prior to 2025. We expect rules to phase in a 30-month lookback  
-> awaiting final guidance from NYS DOH**

# Meet Rachel

## Rachel Brooks | Age 84 | Widow

Last Week:  
Hospitalized After a Fall

This Week:  
Rehab ... **Future Unknown**





# Background

- Mild memory loss
- Disorientation
- Possible mini strokes
- Still verbal
- Her daughter lives near by and helps when she can



**Rachel is a good candidate for Medicaid Home Care (~10 hours a day of personal care)**

# Using MAPT

## Income/month

Social Security:	\$1,345
Pension:	\$1,000
TOTAL:	\$2,345

## Assets

Home:	\$150,000
IRA:	\$ 75,000
Savings & Checking:	\$ 25,000
Brokerage:	\$250,000

**First:** Rachel creates and funds the Medicaid Asset Protection Trust with her home and brokerage account

**Second:** Rachel creates a Pooled Trust & sends \$593 of income per month to her pooled trust account

# Applying For Medicaid

## Rachel can now apply for Medicaid- What Counts?

- ▶ Assets: \$25,000
- ▶ Income: \$1,752

**Eligible by June 1**



# Timing for Eligibility and Approval

- ▶ **Medicaid looks at eligibility as of the 1<sup>st</sup> of a month**
  - ▶ Therefore, if assets are transferred prior to 1<sup>st</sup> of June for Rachel, she can apply for community Medicaid within the month of June based upon her eligibility as of June 1
- ▶ **Once submitted, the local Medicaid office has 45 days** to process the application and render a decision or issue a notice requesting additional information or documentation
  - ▶ If a pooled trust is needed, this timeframe increases to 90 days.

# Documents Needed to File

- ▶ **Identifying documents** – Birth certificate, IDs, health insurance cards, etc...
- ▶ **Financial documents** – bank statements showing balances as of 1<sup>st</sup> of the month you are applying for (June 1 for Rachel), documentation showing current gross income
- ▶ If application signed by agent under Power of Attorney, Power of Attorney document also must be submitted
- ▶ \*\*If application is for nursing home, 5 years of records needed for **all** financial accounts in existence during the lookback period\*\*

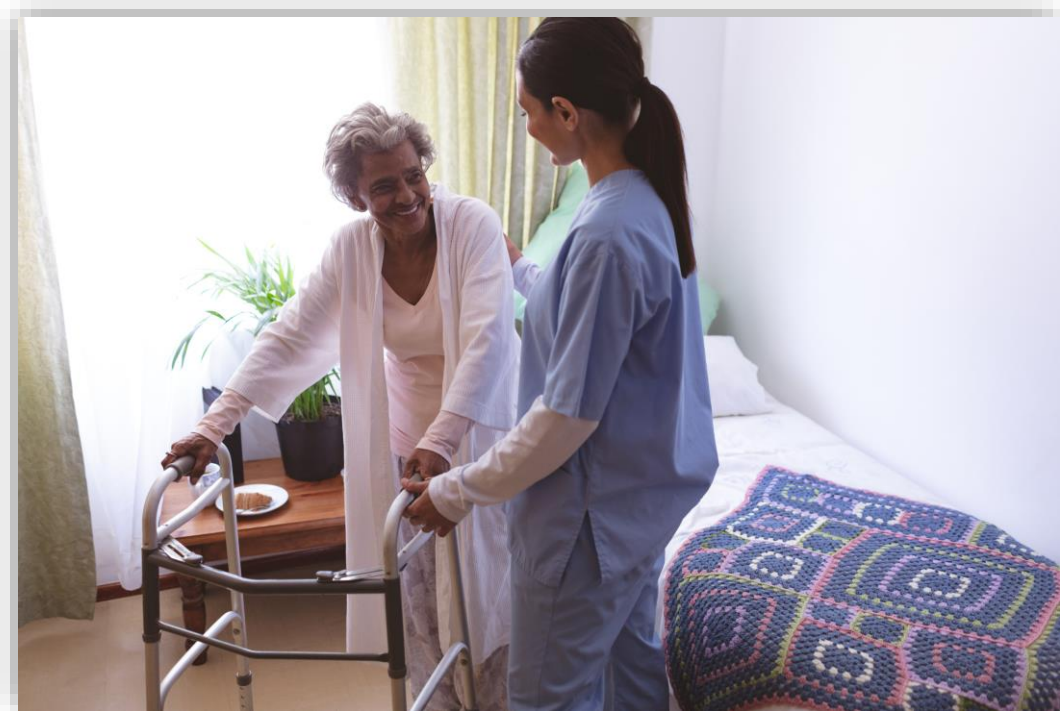
# Next Steps

## If You Are:

- a. Planning ahead to qualify for Medicaid in the future, consider a MAPT now
  
- a. Caring for someone who needs home care immediately or who is already bringing care aides in, a MAPT can preserve assets and help qualify for benefits
  
- ▶ **Seek guidance from an elder law attorney** – Pierro, Connor & Strauss offers free consultations via phone, Zoom or in person



# Next Medicaid Monday



## **“Nursing Home Medicaid”**

**Monday, June 10**

**12:00 – 12:30PM**

**REGISTER:**

**<https://www.pierrolaw.com/events/>**



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**<https://www.pierrolaw.com/events/>**

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





**Thank You!**  
**QUESTIONS?**

**Schedule a  
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clients:**

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