

Starting Soon...



Medicaid Asset Protection Trusts (MAPT)

June 9, 2025

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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
- ▶ Fill Out Our Survey with Feedback





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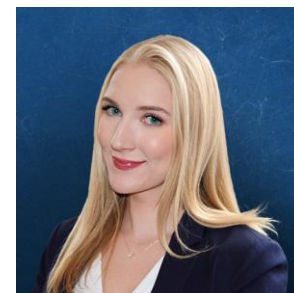
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Not Pictured

Robert Bosman, Esq.

Agenda 6.9.25

- Recap: 2025 Medicaid Numbers
- Exempt Assets
- Medicaid Asset Protection Trust
- Example: Medicaid Home Care Using MAPT
- Documents & Deadlines



2025 MEDICAID ELIGIBILITY NUMBERS

Monthly Income			
	2025	2024	Difference
Individual (at home)	\$1,820	\$1,752	\$68
Couple	\$2,453	\$2,371	\$82
Community Spouse Income Allowance	\$3,948.00	\$3,853.50	+\$94.50
Institutionalized Spouse Income Allowance	\$ 50		

2025 MEDICAID ELIGIBILITY NUMBERS

Resources

	2025	2024	Difference
Individual	\$32,396	\$31,175	\$1,221
Couple	\$43,781	\$42,312	\$1,469
Comm. Spouse Resource Allowance	\$74,820 ¹		

1 - \$74,820 (or the spousal share of 1/2 combined resources up to a maximum of \$157,920 (up \$3,780 from 2024))

Exempt Assets

Some Assets That Are Exempt:

- \$32,396
- 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 ...
- 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*

*** We expect rules to phase in a 30-month lookback for Community Medicaid in the future...---> awaiting further guidance from NYS DOH**

Meet Rachel

Rachel Brooks | Age 84 | Widow

Last Week:
Hospitalized After a Fall

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



Background

Diagnosed with dementia.

- Disorientation
- Possible mini strokes
- Still verbal
- Her daughter lives near by and helps when she can; pays a home care aide 'under the table' for mom



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

Rachel's Income and Assets

Income/month

Social Security:	\$1,500
Interest/Dividends:	\$ 328
IRA RMD:	\$ 992
TOTAL:	\$2,820

Assets

Home:	\$200,000
IRA:	\$200,000
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 Income Trust & sends \$1,000 of income per month to her pooled trust account

Applying For Medicaid

Rachel can now apply for Medicaid- What Counts?

- ▶ Assets: \$25,000 (\$32,396 limit)
- ▶ Income: \$1,820

Eligible by July 1



Timing for Eligibility and Approval

- ▶ **Medicaid looks at eligibility as of the 1st of a month**
 - ▶ Therefore, if assets are transferred prior to 1st of July for Rachel, she can apply for community Medicaid within the month of July based upon her eligibility as of July 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 1st of the month you are applying for (July 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

12:00-12:30pm

July 14, 2025

Nursing Home Medicaid

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