

The **SECRET** Strategy

“Preparing for YOUR Second Half of Life-Learn the *Secrets* to Getting Help Paying for Nursing Home Care”

Three ways to pay for care:

1. Medi-Cal – Currently no 5 year lookback, planning for a Long Term Nursing Home can still be done. No one needs to lose their home or wait by spending down today. BUT 5 year lookback is coming ... If you have a diagnosis of dementia or life altering illness you need to do specialized planning now.

2. Veteran's Benefits – New Rules effective October 15, 2018, Veteran's, Widows/Widowers of Veterans who served during a War Era may be entitled to a TAX FREE enhanced pension commonly referred to as Aid and Attendance, but there are penalties for transfers of assets (3 year lookback).

3. Long Term Care Benefits that are not long Term Care Insurance. The Pension Protection Act allows for tax free payments for long term care but most financial advisors don't know about these products. Planning for Long Term Care should include protecting your assets with an Estate Plan designed for what happens if you don't die but get sick and leveraging your assets to pay for long term care. (If interested Martha Patterson has co-authored a book Tax Free Money for Long Term Care, call her at 559-473-1233 to discuss and get a free copy of the book)



GEISLER PATTERSON LAW

ELDER CARE AND SPECIAL NEEDS LAW

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Medi-Cal

“Don’t be fooled by the myth of the “Medi-Cal Spend Down.”

Medi-Cal is California’s program for administering federal Medicaid funds. Medi-Cal has several different programs. The most misunderstood is “Long Term Care” coverage. Most people first hear about Medi-Cal Long Term Care coverage when a family member or loved one is hospitalized, then discharged to a rehabilitation or skilled nursing facility. Medicare may pay for this extended care for a while...but not long. The maximum period Medicare will pay for qualifying individuals is 100 days, but most families will find themselves receiving a notice of termination of Medicare long before that. For those who do not have long term care insurance, the choice then becomes to pay the cost themselves, over \$10,000 per month, or apply for Long Term Care Medi-Cal. Few could afford to private pay for long without seriously impacting the financial security of the spouse and family. Both married and unmarried individuals also worry as the estate they intended to pass to their children or heirs is rapidly eaten up by nursing home bills.

The clear alternative is the Long Term Care Medi-Cal program. Medi-Cal will pay for 100% of nursing home expenses for those who qualify. Some may need to pay a “share of cost,” but many will not. Even those with a relatively high share of cost pay far less than the private pay rate for a nursing home. The majority of those who consult with Martha can qualify for Long Term Care Medi-Cal, legally preserving most, if not all, of their assets for themselves and their loved ones. She can help you minimize the “share of cost,” and often use techniques allowing you to direct your share of cost for payment for beneficial therapy for your family member. She can also help avoid recovery claims by the State.

Veteran’s Benefits

October 18, 2018, The Department of Veterans Affairs, (VA) announced new rules applicable to VA needs-based benefit programs. These rules impact the little-known, needs-based pension program often called, “Aid & Attendance.”

What has been changed?

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- Beginning October 19, 2018 there will now be a three year gifting look back for non-service connected disability pension.
- The VA has also changed eligibility for Aid and Attendance programs.
- The ability to qualify for Aid & Attendance benefits to pay for assisted living, or personal care may be affected.

What should you do?

- If you are a veteran or spouse of a Veteran, call Martha Patterson at (559)473-1233 for a Consultation
- If you are a Veteran who has not done planning, have a house and over \$120,000 in assets, please call Martha Patterson at (559)473-1233 for a Consultation

Martha Patterson is Accredited by the Veteran's Administration, by the VA to provide guidance to Veterans regarding their benefit

Basic Eligibility for VA Pension

1. Be a veteran who served at least 90 days of active duty or the surviving spouse of a wartime veteran (married at the time of veteran's death)
2. At least one day of active duty had to be during wartime:
 - WWII – 12/7/41 to 7/25/47
 - Korea – 6/27/50 to 12/31/55
 - Vietnam – 8/5/64 to 5/7/75
3. Does not need to have been in combat
4. Discharged other than dishonorably
 - Honorable discharge
 - Discharge under honorable conditions
 - General Discharge

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Long Term Care Benefits

Traditional Long Term Care policies have become an increasingly unattractive option to pay for care. The policies have become more expensive (because people are living longer with diseases), and if you don't use the benefits you lose the money that paid for the policy. As the need to set aside money to pay for long term care increases, newer and better options have become available. These options all provide that if you don't use the long term care benefits, you and/or your family will receive the funds paid.

The Federal Government has realized that with so many baby boomers turning 65, Medicare and Medicaid funds to pay for care will be strained beyond capacity. Therefore, the Federal Government has created incentives to encourage consumers to purchase Long Term Care Insurance. Few advisers understand the pension protection act and how this act allows withdrawals of cash value from life insurance, existing annuities and exchange it for a policy that contains long term care insurance (as a part of the life insurance or annuity). On January 1, 2010, congress created a major tax advantage for asset based long term care products. New annuity and life insurance products with long term riders provide that when the funds are paid out for long term care they are "tax free"!

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