

7% FIA

YOUR NEW WEBSITE

COLLEGE PLANNING CENTER

BECOMING THE "EXPERT"

MEDICAID MARKETING PLATFORM

## Learn My #1 Secret To Adding An Additional **\$183,000** Per Year To Your Practice

By: Dan Stemen

Creator of: **The Medicaid Planning Coaching System©**

### **Turnkey Pilot Marketing Program**

This is a new platform (remember the Medicaid friendly Court of Appeals court case was just recently decided) and Dan will only be taking on 10-15 advisors into a three-month pilot program.

To sign up to be considered for this pilot program, please [click here](#), fill out the form, and answer yes to the "I'm interested in the pilot program" at the bottom right-hand part of the form.

### **Stop competing with local advisors!**

Virtually NO ONE on our industry is aware of the **NEW OPPORTUNITY** that is at hand when it comes to growing your business by becoming a Medicaid planner.

Dan's #1 Secret to doubling your income and your time off is this: make a paradigm shift from selling financial products as commodities to instead, solving an urgent and very emotionally driven problem for your clients.

If you are able to make this shift in your practice then you will never ever have to compete with other advisors again!

What Dan discovered is that most advisors fail because they are **selling products** instead of **solving problems**. When a financial product is part of a solution it is never viewed as a commodity purchase. You will never hear another prospect say...*"let me think about it and get back to you"*.

## Case Study: Community Spouse

To learn about the **Turnkey Medicaid Marketing Platform**, please [click here](#).  
To sign up for the **Nov. 4<sup>th</sup> Webinar on Medicaid Annuities**, please [click here](#).  
To learn more about the **2-day boot camp in Las Vegas**, please [click here](#).

# How A Community Spouse Used A Medicaid Compliant Annuity To Shelter Assets and Qualify Her Husband For Full Medicaid Benefits

## Background

Mr. and Mrs. Smith are respectively 84 years of age. On January 1, 2009, Mr. Smith entered a nursing home, wherein he is receiving custodial nursing home care. The Smiths have the following:

- ❖ Home valued at \$250,000
- ❖ 1 Automobile
- ❖ Standard household furnishings & personal property
- ❖ \$250,000 in a savings account
- ❖ \$10,000 life insurance policies on each

The Smith's are entitled to retain the following:

- ❖ Mrs. Smith is entitled to the community spouse resource allowed of \$109,560
- ❖ Mr. Smith is entitled to retain an individual resource allowance of \$2,000.00 leaving a net spend down of \$138,440.



## Challenges and Goals

### Challenges:

- No Long Term Care Insurance
- Mr. Smith's current nursing homes expense is \$5,500 per month without a Medicaid Plan
- The Smith's spend down amount is \$138,440 which will be exhausted in approximately 25 months
- Home not asset protected from creditors or liens
- Life insurance cash value exposed to spend down

### Mrs. Smith's Goals:

- Asset protect \$138,440 from the spend down rule
- **Purchase Medicaid Compliant Annuity** with an 85 month payout
- Asset protect home
- Protect cash value of life insurance for funeral and burial expenses

## The Solution

- ✓ **Purchase Medicaid Compliant Annuity using the \$138,440**
- ✓ Title home in Mrs. Smith name only so that she retains the right to stay in home without it being subject to spend down
- ✓ Asset protect home from Medicaid Recovery using a reverse mortgage. Place loan proceeds inside an irrevocable trust controlled by Mrs. Smith.
- ✓ 1035 exchange current life insurance policies to a funeral trust funded by a pre-paid final expense policy.

.....

"Approaching Medicaid Planning in a proactive manner ensures that clients achieve maximum results"

- Dan Stemen  
Asset Protection Advisor

.....

## The Results

On January 6, 2009, Mrs. Smith purchased a \$138,440.00 Medicaid Compliant Annuity with the following guaranteed monthly payments:

**Months 1 - 85:** \$ 1,785.88  
**Total Payout:** \$ 151,799.80

With Mrs. Smith having a 7.09 year/85.08 month Medicaid life expectancy, and with her Medicaid Compliant Annuity returning more than \$138,440.00 to her within her Medicaid life expectancy, the Medicaid Compliant Annuity is deemed "actuarially sound," and is a viable Medicaid planning tool.

On the assumption that Mrs. Smith has \$1,100.00 of monthly social security income and with the monthly payment from her Medicaid Compliant Annuity taken into consideration, her total monthly income equals \$2,885.88.

With her total monthly income exceeding her maximum monthly maintenance needs allowance of \$2,739.00, Mrs. Smith is not allowed to receive any monthly income from Mr. Smith.

On the assumption that Mr. Smith has \$1,500.00 of monthly social security income, his Medicaid monthly co-pay to the nursing home equals

\$1,465.00. This amount was determined by reducing Mr. Smith's monthly income by his \$35.00 monthly personal needs allowance.

In a community spouse case, where the community spouse purchases a Medicaid Compliant Annuity in order to eliminate the spend-down amount, the concern following the Tax Relief and Health Care Act of 2006 is that upon the death of the community spouse any residual benefits remaining in the Medicaid Compliant Annuity will revert to the state Medicaid program.

Likewise, in the aforementioned example, if Mrs. Smith does not survive the 85-month term of her Medicaid Compliant Annuity, the State Medicaid program would be entitled to collect the residual benefits remaining in her Medicaid Compliant Annuity, to extent that medical assistance benefits were provided to the annuitant.

Mrs. Smith did secure a reverse mortgage where she was able to receive 78% (\$195,000) of her homes value in a lump sum payment at closing.

She funded the newly established irrevocable trust with the proceeds from the reverse mortgage.

The Smith's 1035 exchanged their current paid-up \$10,000 whole life insurance policy into an irrevocable funeral trust,

free from being counted as a resource for spend down.

The trust funds are paid directly to the funeral home at the time of death and any remaining balance paid to the heirs.

The total amount sheltered from spend down by establishing a proper asset protection plan was \$353,440.