

# **The Medicaid Planning Guidebook**

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Clients: Robert is 78, and Dorothy is 76. Robert recently suffered a stroke.

Assets/Income: \$100,000 securities; \$600,000 home (no debt); Robert has SSI of \$1,500 and a pension of \$2,000 a month; Dorothy has monthly income of \$700.

2. Example.....	441
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Client: Ruth, age 87 who is suffering from the degenerative effects of Alzheimer’s disease. She has four children and several older grandchildren. Ruth’s behavior became so erratic that 24-hour care became essential.

Asset/Income: SSI of \$1,450 per month and a \$225 per month from a pension; three CDs with surrender values of \$25,602, \$74,325 and \$69,421; a deferred annuity with a net surrender value of \$100,300; a checking account with \$31,175; one vehicle with a blue-book value of \$5,400; debt free home with a value of \$101,300.

3. Example..... 446

Client: Geraldine is 77 and suffers from severe arthritis that is degenerative in nature and will likely be fully debilitated within the next four to six years. Her mother suffered from Alzheimer's before her death. She has two older sisters who are both exhibiting signs of the dementia and one is already in a nursing home.

Asset/Income: A \$600,000 home with no debt that includes a small working farm that both of her sons use to make their living; a deferred annuity worth \$72,600; a brokerage account with conservative bond investments totaling \$123,765; six CDs valued respectively at \$52,703, \$49,457, \$72,153, \$42,259, \$51,108, and \$27,075; a checking account with a \$22,700 value; SSI of \$1,370 per month plus \$515 from the interest/dividends of her securities; an older model sedan worth approximately \$3,150.

4. Example..... 451

Client: Thomas is 81 and has been in and out of the hospital over the past two months with bouts of dementia. Thomas and his brother Paul inherited Thomas's home as joint owners when their mother passed away 20 years ago. Thomas has been living with the mother and then just continued to live in the home after she died. Paul decided to move in with Thomas and has been living there for ten months. Thomas has no children.

Asset/Income: The home is valued at \$300,000, and both brothers have a one-half of interest with all rights transferring to the survivor at death; Thomas has his funeral prepaid; he has \$6,575 in checking and \$5,043 in savings. He has three CDs each worth \$75,000; Thomas retitled his car to daughter Sarah two years ago (\$7,500 value) and he gave his other daughter Melissa a check for \$7,500 at the same time he gave the car to Sarah. He has 30 savings bonds worth about \$1,000 each.

5. Example..... 455

Client: Edward and Martha (married). Ed is starting to show signs of memory lapse that is believed to be the early onset of Alzheimer's. Neither has purchased LCTI and Ed would no longer qualify; Martha does qualify, but the premiums are over \$6,000 a year far beyond what her budget can afford. They have two daughters who they would like to see inherit their estate.

Asset/Income: Together they own a home value at \$150,000 (no debt) and a combined total of \$90,000 in certificates of deposit and \$18,000 in checking; Edward receives a monthly SSI check of \$1,657 and a monthly pension of \$1,035. Martha receives a monthly SSI check of \$725.

6. Example..... 458

Client: Dolores is in the hospital for a week and the doctor in charge of supervising her believes she is ready for discharge to a nursing home as soon as a bed becomes available. She has two daughters, Darla and Darcy. Darla, the oldest, is named as an agent under Dolores's power of attorney. Darcy is permanently blind, and lives in a group home, and is surviving on SSI and Medicaid.

Asset/Income: Dolores has a home valued at \$600,000 (no debt); \$173,000 in checking, savings, and certificates; no vehicle; monthly SSI of \$1,375 and a survivor pension of \$881.

7. Example..... 464

Client: Ray and Sophie (ages 82 and 79, respectively) have been married for over 50 years. Ray's health has deteriorated to the point where he no longer recognizes Sophie. He has been in a hospital for several weeks and was discharged to a nearby nursing home for rehabilitative care; but as he has seen no improvement in his full month at the nursing home, it is likely that he will be staying indefinitely. They jointly own most assets. They have two children who are both actively helping Sophie deal with the fallout from Ray's health crisis.



Asset/Income: Two sedans worth \$8,975 and \$5,034; a modest ranch-style home worth \$295,000 (no debt); a stock portfolio worth \$127,550; a deferred annuity worth \$72,250 (with a cost basis of \$35,000); and three CDs worth \$39,055, \$62,121, and \$51,308 respectively; Ray has an IRA solely in his name worth \$37,716; he also has SSI of \$1,396 a month and a monthly pension payment of \$903. Sophie SSI income of \$895 a month and a small monthly pension of \$103.

8. Example..... 469

Client: Isaac and Agnes find themselves dealing with Agnes's declining health. Isaac is having memory lapses. Agnes, however, has started wandering off; and her dementia has gotten so bad that she is now in the nursing home after a weeklong hospital stay. Isaac never prepared for dealing with a long-term care stay beyond getting an estate plan in place. Isaac and Angie had gone to a lawyer to get a trust; but the lawyer told them that, with their limited amount of assets and the use of beneficiary designations, a will would be sufficient. However, Isaac insisted on getting a trust after attending a local estate planning workshop.

Asset/Income: Home valued at \$105,000 (no debt) which was deeded to their inter-vivos trust at the time they completed their estate plan; a checking account of \$7,221; a \$62,703 CD; a family sedan valued at \$12,000; Isaac and Agnes receive monthly SSI payments of \$1,105 and \$767 respectively.

9. Example..... 472

Client: George and Mary do not have much, but they are proud to have paid off their home before retirement. George is suffering from Alzheimer's and has spells that have gotten out of control, necessitating 24-hour care. Mary is worried about keeping what she has to live on, how much the nursing home will cost her, and if they can leave their home to their two children. Their two daughters live out of town but have flown home to help Mary get things in order.

Asset/Income: A small \$3,271 savings account; an annuity in Mary's name with a \$20,768 CSV; a sedan worth \$6,595; George's monthly SSI is \$986 and he receives a \$197 monthly pension payment; Mary receives a monthly SSI payment of \$895.