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Five Steps to Follow On the Path of Long Term Care Planning

Often times when families are faced with the need for long term care in a nursing home facility, they are overwhelmed by the decisions necessary to protect their loved ones and their assets. While the rules and regulations concerning long term care can be confusing, there are personal and financial planning options techniques available to families who seek professional advice early in the process. There are five basic steps available to most families on the path of long term care planning which focus on personal care and estate planning and financial planning where long term care is needed either immediately or in the near future.

It is important that as soon as the family is aware long term care is needed or will be needed in the near future, the family consult professional organizations and an attorney to gather information and referrals for both the elder and the caregiver. Many organizations provide support services for the caregiver, as well as referrals to professionals for the elder in need of long term care. Caregiver support groups, as well as invaluable pamphlets and books are available to help the family understand their role in providing care for their family member. Organizations such as the Alzheimer's Association, Greater Springfield Senior Services, Visiting Nurses Association provide referral services to a wide range of professionals, including medical and legal consultants. They may assist the family in finding the most appropriate setting for their loved one, whether it is home health care in the community by use of home health care assistance, or entering a nursing home.

The second step involves establishing estate planning documents including health care proxies, powers of attorney, and wills. Everyone

should have these documents in their plan, regardless of age, health issues or wealth. These documents will enable the health and personal decisions of the elder will be made by a person of their choice and that their assets will pass on to their heirs in accordance with the wishes of the elder. These documents should be signed as soon as possible, if they are not already in place and if not recently reviewed, it is important that the client have them reviewed to make certain that the documents are appropriate and updated.

The next three steps on our path of long term care planning involve the protection of the elder's assets. To begin, we look to protect the elder's home in the event that they should enter a nursing home facility. We do this with the use of a life estate. By transferring the home to family members and retaining a life estate, the home is for the most part protected for Medicaid purposes subject to relevant waiting periods. While the older generation is living, they have the right to live in the home and are responsible for paying the real estate taxes, homeowners' insurance, upkeep and maintenance of the property.

Be careful however, as this planning step does create a disqualifying transfer based on the value of the remainder interest transferred to the family, therefore, it should be completed prior to entering the nursing home and/or applying for Medicaid.

Fourth is to review the elder's assets and to protect as many of the assets as allowable by law. Family should make certain that the elder has a prepaid funeral and prepaid burial account. These prepaid funeral and prepaid burial account funds are protected and provide a permitted spend-down of the elder's assets for Medicaid

purposes. The family may contact the funeral home and make arrangements for the elder's funeral and for the elder's spouse, if appropriate. Once the arrangements are made the family can then prepay the funerals. In addition, every elder may open an irrevocable burial account in the amount of \$1,500.00 but no more.

Be please sure to understand that other assets of the elder can be protected through the development of an eldercare plan which will differ from person to person and should only be prepared with the assistance of an experienced attorney.

Our fifth step is to ensure that the community spouse (the spouse living in the home) not only gets to keep the maximum amount of assets allowable under the current Medicaid regulations, but also maintains the maximum community spousal allowance. This is done through negotiation, a properly developed eldercare plan and or by hearing with the Division of Medical Assistance.

While these steps may be confusing to the elder when dealing with long term care, these basic steps of planning are important to ensure the elder and family are not only protected, but that the community spouse is able to maintain their lifestyle. It is important that the elder take advantage of the current Medicaid rules and regulations, but also avoid many of the pitfalls that are associated with long term care planning. In order to assure that the elder is protected, it is recommended they engage the services of professionals who are trained in the area of elder law and long term care planning. This ensures that the client may to the fullest extent possible under the current laws, take advantage of the Medicaid rules and regulations.

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