

HUDSON VALLEY
ESTATE PLANNING PLLC

Secure Your Legend

914-714-4227

secureyourlegend.com

kylan@secureyourlegend.com

Attorney Kylan Johnson

- Owner of Hudson Valley Estate Planning PLLC
- Estate planning & elder law attorney
- Live in Sleepy Hollow
- Licensed in NY for 12 years



Overview

- How to pay for long-term care (LTC)
- How to read your LTC insurance policy
- How to qualify for Medicaid
- Living at home vs. a community
- Caring and preparing

How to Pay for LTC

- Current cost: \$7,000-\$15,000/mo
- 3 ways to pay: private pay, LTC insurance, or Medicaid
- Private pay + LTC insurance work well together
- Long-term care insurance policies vary greatly

Basic LTC Insurance Provisions

- Benefit Period: How many years of full benefits can you hypothetically receive?
- Elimination Period: How many days do you have to pay out-of-pocket before your policy kicks in?
- Daily Benefit: The most your insurance will pay per day toward your LTC

Basic LTC Insurance Provisions (cont'd)

- Inflation Protection: Will your Daily Benefit keep up with inflation?
- Care Covered: What types of care will your policy cover or not cover?

Final Thought on LTC Insurance

Have your LTC insurance agent
walk you through your policy

Qualifying for Medicaid--Overview

1. Medical Test

2. Income Test

3. Resource Test

Qualifying for Medicaid—Medical Test

- Must need help with 3 or more activities of daily living (ADLs)
- ADLs:
 - Mobility
 - Dressing
 - Eating
 - Personal hygiene
 - Toileting

Qualifying for Medicaid—Income Test

- Monthly income of \$1,800 or less if single, \$2,433 if married
- For facility care, can only keep \$50/mo
- For in-home care, can keep all income up to threshold (or more if pooled income trust established)
- There are downsides to pooled income trusts

Qualifying for Medicaid—Resource Test

- \$32,396 or less if single, \$43,781 or less if married
- Not counted:
 - Primary residence if valued at \$1,097,000 or less
 - Personal property
 - One car
 - IRAs and 401(k) values, if RMDs are being withdrawn
 - Eligibility-exempt \neq lien-exempt

Passing the Resource Test

- Spousal refusal letter
- Transfer to irrevocable trust
- Transfer to friends & family (gifting)
- Transfer to pooled asset trust

Downsides of Medicaid Transfers

- Lose control & benefit of assets placed in irrevocable trust
- Assets *gifted* do not qualify for special capital gains tax treatment
- Money remaining in pooled asset trust upon death is forfeited

Downsides of Medicaid Transfers (cont'd)

- Any assets left in your name may be subject to Medicaid liens upon death
- 5-year lookback period on transfers if seeking facility care
- NY *may* enforce lookback period for in-home care in future years

In Support of Staying at Home

- More familiar with surroundings
- Network of friends and family
- Technology makes it easier (Instacart, Uber, DoorDash, and more)

In Support of Senior Living Communities

- Avoid property taxes
- Avoid indoor & outdoor maintenance costs
- Avoid cooking & cleaning

In Support of Senior Living Communities (cont'd)

- Avoid social isolation
- Most homes not built with seniors in mind
- May be medically necessary

Caring and Preparing

- Can you or loved one afford private pay?
- Do you or loved one have LTC insurance?
- Do you or loved one want to stay at home?
- Do you or loved one own your home outright?

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