

MEDICAID PLANNING IN CONNECTICUT

WHAT CAN THE HEALTHY SPOUSE KEEP?

Medicaid is a Government Program That Will Pay For Living Assistance It is a Program That is Available to People Who can Demonstrate Significant Financial Need



BARRY D. HOROWITZ
Connecticut Estate Planning Attorney



Many people are not interested in Medicaid because they will be qualified for Medicare when they reach the age of 65. However, when you start to look at the facts, you find that Medicaid may be relevant to you at some point in time, even if you will qualify for Medicare.

Most senior citizens are going to require assistance with their day-to-day needs. According to the United States Department of Health and Human Services, 70 percent of people turning 65 will need living assistance eventually. This is a compelling statistic.

Long-term care is extremely expensive in the United States today, and costs are rising all the time. Our firm practices law in the state of Connecticut. An

ongoing study is being conducted by Genworth Financial, and they have published statistics for 2014 long-term care costs.

At the present time, the median charge for a year-long stay in a private room in a nursing home in Connecticut is \$155,125.

Medicare will not pay for long-term care, but Medicaid will assist with these costs. This is why Medicaid ultimately becomes important for many seniors who were eligible for Medicare coverage.

NEED-BASED PROGRAM

Medicaid is a health insurance program that is jointly run by the federal government and each state government. There are federal guidelines, but each state has latitude with regard to exactly how the program is administered.



To qualify for Medicaid coverage, you must be able to prove that you have financial need. In most states the upper limit for countable assets is just \$2000. Fortunately, all of your assets do not count when Medicaid is evaluating your eligibility.

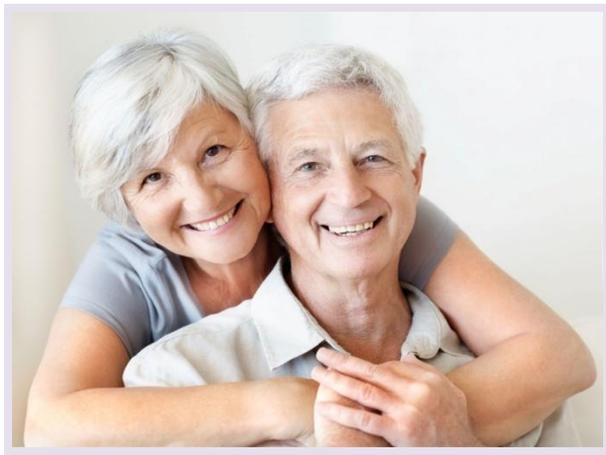
Your home does not count, but there is an equity limit of \$814,000 in Connecticut in 2014. One vehicle is not countable, and your wedding rings and heirloom jewelry would not be counted when your eligibility is being considered.

You may also have a life insurance policy valued at up to \$1500, and you can have the same amount set aside for burial or cremation expenses. Personal effects and household belongings are not considered to be countable assets.

THE HEALTHY OR COMMUNITY SPOUSE

There are certain rules in place for married couples. If you are entering a long-term care facility while your spouse is capable of living at home, he or she would be referred to as the healthy or community spouse.

As we stated in the previous section, there is an \$814,000 upper equity



limit for home ownership, but if the community spouse is remaining in the home, there is no upper equity limit at all.

The community spouse is also entitled to a Community Spouse Resource Allowance. This allows the healthy spouse to retain half of the assets that are shared by the couple. There is however a limit to the amount that a state can allow the healthy spouse to retain.

In 2014, the maximum Community Spouse Resource Allowance is \$117,240 in the state of Connecticut. The minimum is \$23,448.

To explain the minimum, in theory, the healthy spouse can keep half of countable assets. However, let's say the amount of the countable assets is \$30,000. Half of that would be \$15,000. In a case like this, the community spouse could keep no less than \$23,448, because this is the minimum standard.

Most seniors are going to be receiving some income, either from a pension, Social Security, or some other sources. If you qualify for Medicaid to pay for long-term care, you are required to contribute most of your income toward the cost of the care. This make sense, but the community spouse may be relying on all or some of this income for support.

To account for this, Medicaid allows for a Community Spouse Monthly Maintenance Needs Allowance. This allows the community spouse to continue to draw from income that is due to the institutionalized spouse, even if it would have otherwise gone to defray Medicaid costs.

In 2014 the maximum Community Spouse Monthly Maintenance Needs Allowance that a state can allow under federal guidelines is \$2931. Connecticut allows for this maximum, and the minimum that the healthy spouse can receive was \$1,938.75 through June of 2014.

CONCLUSION

Most people in the United States are eventually going to need assistance with their activities of daily living. Medicare will help with many health-

related expenses, but it does not cover long-term care. This is considered to be custodial care rather than medical or convalescent care.

Medicaid is a government program that will pay for living assistance. It is a program that is available to people who can demonstrate significant financial need.

When someone who is married applies for Medicaid to pay for long-term care, his or her healthy spouse is entitled to certain property rights. The healthy spouse can keep half of community assets up to a certain limit, and the value of the family home would not be counted by the Medicaid program.

The community spouse can also continue to draw from income that is due to the institutionalized spouse if it is necessary to maintain a minimum standard of living.

If you would like to learn more about Medicaid planning, contact a licensed elder law attorney to schedule a consultation.

REFERENCES

United States Department of Health and Human Services
<http://longtermcare.gov>

Medicaid
<http://www.medicaid.gov/>

About the Author

Barry D. Horowitz



Barry D. Horowitz is a founding partner in the law firm of Nirenstein, Horowitz & Associates, P.C. He received his diploma from the Loomis Chaffee School and his Bachelor of Arts from Bennington College, where he dual majored in philosophy and music.

Mr. Horowitz was awarded his Juris Doctor degree with honors from the University of Connecticut School of Law. While attending law school, Mr. Horowitz received the American Jurisprudence Award in Legal Ethics and the Nathan Burkan Award.

After graduation from law school, Mr. Horowitz continued his legal education at New York University School of Law where he received a Post Doctorate Law Degree in Taxation. He has also recently received a national achievement award.

Mr. Horowitz is admitted to practice before all the state courts in the State of Connecticut and the United States District Court. He is a member of the Hartford County Bar Association, a charter member of the American Academy of Estate Planning Attorneys, and has recently received the American Academy Award. Mr. Horowitz is also an active member of the Connecticut Bar Association where he is a member of the Elder Law Section, the Estate Planning and Probate Section, and the Professional Ethics Committee. Mr. Horowitz practices exclusively in the area of Estate Planning where he has earned a reputation as a dynamic and entertaining speaker. He also has recently published a book entitled "Guiding Those Left Behind in Connecticut."

Nirenstein, Horowitz & Associates, PC

Living Trust and Estate Planning Attorneys

Serving the State of Connecticut with Offices in Greater Hartford, Fairfield County, CT

www.PreserveYourEstate.net

HARTFORD
Gothic Park
43 Woodland St., Suite 520
Hartford, CT 06105
Phone: (860) 548-1000

WESTPORT
191 Post Road West
Westport, CT 06880
Phone: 203-221-2617