



LEVANDOWSKI & DARPINO

An Elder Centered Law Practice
Helping to Solve the Puzzle of Long-Term Care



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LOOK MOM – NO SAFETY NET!

This can happen.

It is 2013. Congress and the White House have plodded their way to deficit reduction by way of drastic entitlement cuts. A family comes into our office, a mother in her 80s, Sarah, and her three children. Sarah's husband, Tom, is being admitted to a nursing home with end-stage Alzheimer's disease. She has struggled as his caregiver for as long as humanly possible, but it is time. The family is emotionally upset, as you can imagine. They look to us to show them how to make sure that Sarah does

not go broke by paying for Tom's nursing home.

Sarah and Tom have a house that they have lived in for many years, a modest amount of savings, and enough income to live comfortably. Their Social Security checks are supplemented by distributions from Tom's IRA. Sarah is afraid she will not have enough to live on. She is also afraid that there will be no money left if she needs care down the road.

If we are advising Sarah and her children today, in 2011, we can show her legal ways to protect her house and enough of her savings so that she can continue to live comfortably. We can also make sure that Sarah has

Want to learn how to protect yourself and your family no matter what the politicians do?

Attend one of our free Protect Yourself seminars where you will learn the secrets to being prepared no matter what the future holds.

We have scheduled seminars on the following dates and times at our Elder and Special Needs Resource Center in Havertown:

- Wednesday, September 21 at 2:00 p.m.
- Thursday, September 22 at 6:00 p.m.
- Tuesday, September 27 at 2:00 p.m.
- Tuesday, October 4 at 6:00 p.m.

To register and for more information call 610-446-9626 or visit our website:

PaElderLawNow.com/protect

The seminar is free, but missing it could be the most expensive mistake of your life.

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THE ECONOMY IS SO BAD THAT:

- I ordered a burger at McDonald’s and the kid behind the counter asked “Can you afford fries with that?”
- Exxon Mobil laid off 25 congressmen.
- A certain celebrity changed her name to Paris Holiday Inn.

the means to pay for any care she may need in the future.

But remember, we are talking about 2013.

We may have to tell Sarah that she waited too long to plan for her future. That she is out of luck. The Medicaid rules that have for years protected the spouse of a nursing home resident may be long gone. We may even have to tell her and her children that, before Tom could be entitled to Medicaid for nursing home care, the government will require her children to contribute to the cost of Tom’s care.

This can happen. Our understanding of the politics involved in deficit reduction, both at the federal and state levels, is that everything is on the table. That means the grim scenario painted here is

possible. Are we trying to scare you? No. We want our clients and the friends of our firm to keep ahead of the curve, and we want to show them how.

As things stand now, Medicaid for long-term care is the default long-term care insurance for middle-class Americans. People who today find themselves in need of nursing home care, a large number of whom are over 80, never had the chance to even consider purchasing long-term care insurance. They were either too old or it was too expensive when it became available. Without

Medicaid, these seniors and their spouses would lose everything if faced with a nursing home stay.

Medicaid for long-term care has developed protections over the last 20 years to prevent middle-class seniors from going broke because of nursing home costs. The Medicaid rules allow the spouse of a nursing home resident to keep enough of the couple’s income and assets to prevent her from having to live at the poverty level. Another way to put it is that she is allowed to retain her dignity after a lifetime of working and saving.

Also, an unmarried nursing home resident can hold on to some savings because Medicaid will not pay for all needs.

These protections are slipping away.

Anyone paying attention to what’s going on in Washington knows that entitlements are going to be cut. The only question is how drastically. When you hear the word “entitlements,” Social Security and Medicare spring immediately to mind. But don’t lose sight of the fact that Medicaid for nursing home care, the long-term care insurance for today’s middle-class, is also on the chopping block.

Here are some of the things that may happen in the name of cutting the deficit:

- The repeal of rules that protect the spouse of a nursing home resident
- Reduced nursing home services
- Reduced nursing home access
- Reduced access to in-home services
- Reduction in nursing home quality standards

- Requiring contributions from children and relatives

The reality is that, in the future, fewer long-term care services will be available and costs will be higher.

Pay attention to the news. When you see or hear terms like “block grants” or “global caps” or “triggers” these are catch phrases for drastic cuts.

We elder law attorneys do not know how the budget crisis will work out. Our job is to advise our clients how to plan for the future in the face of whatever may happen.

With an uncertain future, our advice is to plan as early as possible. Meaning before the rules change. Meaning now.

Almost everyone knows about Medicaid’s five year look-back rule. Basically, if someone going into a nursing home made any gifts or took any action to protect assets within the

previous five years, they will not be eligible for Medicaid. Therefore, waiting until the last minute to protect assets is not a good idea. It will be even a worse idea after Medicaid cuts go into effect.

There is good news however. If you plan early enough, it will always be possible to protect assets no matter what budget cuts come down the road. The trick is to plan before the five year look-back period comes into play. This means you have to plan for long-term care when you are too healthy to need it or even to think about it. I know this is contrary to human nature – “I’m never going into a nursing home!” But tough times call for clever measures. Planning early can make long-term care available to you, when you need it, without going broke.

Let us show you how to stay ahead of the curve.

WHO SHOULD CONSIDER LONG-TERM CARE PLANNING?

- Husbands and wives who want to protect each other in case one of them goes into a nursing home
- Unmarried individuals who want to leave a legacy for their family
- Parents of a disabled child who want to make sure that child is taken care of when they are gone (Tip: Do not disinherit a disabled child!)

DISCLAIMER: This newsletter is intended for informational purposes only and does not constitute legal advice. For legal advice, consult a licensed attorney. Any examples used are simplified for ease of understanding and illustration of general concepts.



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"By the time you're eighty years old you've learned everything. You only have to remember it." ~George Burns



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