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RESPONSE TO THE AARP ARTICLE

**" Love is (Not) All You Need",
By Mary A. Fischer - March/April 2010**

(Columbus, Oh - 3/30/10) - The costs of care for people as they age are outrageous and even President Obama's health care bill will not change that! Families need to do their own planning in order to afford their health care. However, 'Divorce' is way down the list of your best and most appropriate options!

In my 13 years of doing nothing but Medicaid Planning, I have had the occasion to divorce just 1 couple because of the costs of care. There is almost always a better alternative than a divorce.

For example, even a property settlement, just a hair shy of divorce, is a better option that will result in separate finances and it has the benefit of having a court order to back it up. The state Medicaid Agencies by law must follow the decrees from the domestic relations courts.

The first option families should review is how to re-position their savings to be able to *privately* pay for all or a large portion of *disability care* costs. This is not just about growing investments; rather it is the careful selection of the long-term care insurance product that will best leverage your savings by 200 or 250%! There are investment tools that will provide *private pay dollars to cover* the costs associated with home health care. *This is preferable for most people and the family stays in control of the care and the costs!* It takes time, energy and careful research plus the right *certified elder law attorney or qualified consultant* to help you make the best decision for your particular situation.

If private pay is not an option (and for most it won't be) then you have to look at divestment of assets into a trust that protects the assets, yet ensures that the family will control the assets transferred into this trust. The AARP article stated that you have to wait 5 years after a transfer is made and that is simply NOT TRUE!

The 'inspection period' or "*Lookback period*" is 60 months. That is, the period of time the Medicaid Agency can look into what you've done with your finances. But the "*Waiting Period*" or "*period of ineligibility*", because of *these* transfers may or may not be 5 years. Keep in mind that there is NO MAXIMUM waiting time!

Therefore, the timing of applying for Medicaid *at the agency* is very important. *No one should apply BEFORE they know what the department's answer will be!*

Let's review another example. A single person with \$100,000 *and already placed* in a nursing home, can "gift out" \$50,000 and then use the remaining \$50,000 to pay through the waiting time due to the transfer! A probable waiting period of about 8 to 10 months!

In a spousal situation, there would be a \$50,000 'spend down' but this would be eliminated because the 'spend down' can be accomplished by turning this \$50,000 into a guaranteed income stream for the healthy spouse still living at home.

The advice given *in the article* to seek professional assistance is correct. However, make sure you do your research and go to a professional, *either a Certified Elder Law Attorney or an experienced consultant* that does this type of planning every day. If you have a heart condition you most likely would not seek professional advice from a podiatrist!

Medicaid eligibility for nursing home or home care is complicated. But divorce is the last resort. Get professional help or else you will end up spending down all your cash and as the healthy spouse, you will have very little money left. *In nursing homes there are not poor people and rich people, there are those who have done a plan and those who haven't!*

One final important point, did you know that what Medicaid doesn't force you to spend down, the State most likely will take on the Medicaid Recovery!

This is a program that after the death of the Medicaid recipient, the Attorney General of your State can come after the surviving spouse and/or the heirs to recover for the State the Medicaid debt!

Solid pre-planning and the right financial strategies will prevent this from happening to your *family*. Just be sure that you obtain excellent professional help!

There is hope! And there are answers to your questions along with credible solutions for your challenges!

About National Eligibility Solutions

National Eligibility Solutions (NES) is a healthcare consulting firm for the Assisted Living, Nursing Home and Disability Communities. NES specializes in the financial fitness of families as it relates to a long term care and/or health care crisis. NES guides the family along the pathway to resolve these and other important issues! NES advises consumers on how to pay for services needed as disability becomes more difficult to manage at home and relieves the family of meeting with social services agencies. NES has a Registered Nurse on staff who can advise clients on trusted professionals they will need for the continuum of care and be our client's healthcare advocate in the hospital or a nursing home. <http://www.TrustNES.com> – (888-682-3975)

Don H. Chapin is a member of the National Academy of Elder Law Attorney. He has successfully completed the experience and exam requirements to be a Nationally Certified Elder Law Attorney as designated by the National Elder Law Foundation (www.nelf.org). He is on the Ohio Bar Association Committee for Elder Law and is a member of the Ohio State Bar Association Elder Law Institute Faculty. He serves as an expert speaker and regular practitioner of all the legal aspects of Elder Law including Medicare, Medicaid and VA Benefits Eligibility. Don is also the Chief Legal Counsel for Ohio Charities Pooled Trust, and the author of the book, "You Earned it, Now Keep It. A Common Sense Guide to Senior Planning." He also offers the public a 40-minute CD on "Medicaid Secrets Revealed".