

IT'S A TOUGH DECISION

The decision to move a family member or loved one into a nursing home is one of the most difficult and emotionally draining you will make. It is important that you take time to objectively evaluate the situation and carefully consider all your options. The choices you make will have serious and long-lasting consequences for your family.

When the right nursing home is found and your family member is comfortably situated, you may breathe a huge sigh of relief. However, for many families, the most difficult aspect of this transition is just emerging: nursing home bills that average more than \$3,500 per month in Texas.

Paying for Nursing Home Care

Long-Term Care Insurance: If your family member is fortunate enough to have this type of coverage, it may go a long way toward paying the cost of a nursing home. Unfortunately, long-term care insurance has only recently become readily available and popular. Most people do not have this coverage, or their coverage is inadequate.

Pay with Your Own Funds: Quite simply, this means paying for the cost of a nursing home out of your own pocket. Unfor-

tunately, with nursing home bills of \$3,500 per month or more, few people have the resources to pay for care indefinitely.

Medicare: It's easy to confuse Medicare with Medicaid. Medicare is a national health insurance program that most people 65 years of age and older can qualify for. In general, if you are enrolled in a traditional Medicare plan, the program will only pay for nursing home care provisionally after a hospital stay of at least three days. In the best case, traditional Medicare may cover up to 100 days of skilled nursing facility care for rehabilitation.

Medicaid: Medicaid is a public benefit program that is primarily funded by the federal government and administered by each state. The rules for coverage and eligibility change frequently at both the federal and state levels. Upon qualification, Medicaid will pay for long-term care in a nursing home and Medicaid-approved, necessary prescription medications. Medicaid may also pay for long term care for Alzheimer's and Parkinson's patients.

Unfortunately, the overwhelming majority of nursing home residents enter a facility on a private basis and only later turn to the Medicaid program for coverage. In this way, many spend themselves into abject poverty even though, through appropriate planning, they could have qualified for Medicaid sooner and preserved their assets for themselves and their families.

Who is Eligible for Medicaid?

In order to be eligible for Medicaid payment of your nursing home bills, you must be a U.S. citizen or legal U.S. resident alien, meet specific income and resource limits and need nursing home placement and custodial care.

Many people think they will not qualify for Medicaid because they have too many assets or too much income. Don't jump to conclusions. By restructuring your assets and/or diverting your income to a special kind of trust, you may qualify now, or much sooner than you expect.

Medicaid designates assets as exempt and non-exempt. Exempt assets are not counted when determining Medicaid qualification. Some types of exempt assets are:

- Up to \$500,000 of equity in a principle residence
- Personal belongings
- A car or truck

Bank accounts, savings, investments, and most other property that can be valued and turned into cash are non-exempt (or countable) assets. However, with the help of an experienced elder law attorney, you may be able to transform countable resources into exempt assets. You may also protect certain exempt assets from estate recovery by the state when you die.

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While the Medicaid rules themselves are complicated, it's safe to say that a single person having only exempt assets and a small amount of cash in the bank can financially qualify for Medicaid. In Texas, the total amount of allowable cash and funds in a bank account is approximately \$2,000 per single person. Married couples have many more planning options.

Remember,

Planning Adds Predictability!



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*Practice Limited to Estate Planning,
Estate Administration, Probate, and Elder Law*

The hiring of an attorney is an important decision. The items discussed in this brochure are of a general nature and not intended to provide legal advice. Please consult a qualified estate planning/elder law attorney to determine the best options for your personal circumstances.

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About the Author



Ronald Greening, Attorney and Counsellor at Law, is the founder of The Greening Law Firm, P.C. Ron grew up in Houston and after earning a B.S.E.E. from the University of Texas at Austin in 1969, he worked as an electrical engineer for three years. He has practiced law since 1975, starting in Washington, D.C. for six years,

then for two years on Wall Street before returning home to central Texas in 1983. He is a member of the Real Estate, Probate & Trust Law Sections of the State Bar of Texas and the Probate and Estate Planning Law Section of the Austin Bar Association. He is a founding member and past president of the American Association of Trust Estate and Elder Law Attorneys, a member of the Texas and National Association of Elder Law Attorneys and a member and director of the Estate Planning Council of Central Texas. He is fully licensed by the Texas Supreme Court, Washington D.C. Court of Appeals, and various federal courts. His practice is limited to estate planning, estate administration, probate and Medicaid planning.

Ron continues to be active in Westlake Hills Presbyterian Church, WHPC.org, serves on the Board of Directors and Secretary of the Board of the Georgetown Community Foundation, GACF.org, belongs to the Rotary Club of Austin, Rotary-Austin.org, the Texas Longhorn Breeders Association, TLBAA.org, serves on the Advisory Board of the Travis County Retired and Senior Volunteer Program, RSVPAustin.org, and other community and professional organizations. Ron lives on Lake Travis and has a herd of one Longhorn steer who lives in his backyard.

Mr. Greening is committed to researching and preparing high quality, tax-sensitive estate plans. His mission in law is to help people accomplish their estate planning goals, and to take the mystery out of the estate planning process. His clients have their estate plans explained in straight-forward language that they and their families can understand. Good planning avoids needless court interference, public records, attorney fees, and government interference when an estate is settled.

Ron teaches workshops for the public as well as accredited continuing education seminars for C.P.A.s, nursing home administrators, attorneys, C.F.P.s, and other financial advisors. He provides complimentary initial office consultations for estate planning.

Austin 476.0888

Georgetown 931.0888

MEDICAID PLANNING AND LONG-TERM CARE



By Ronald G. Greening
**THE GREENING LAW
FIRM, P.C.**

ATTORNEYS AND COUNSELLORS AT LAW

Austin
506 W. 15th Street
476.0888
800.768.8898

Georgetown
1601 Williams Drive
931.0888

RONGREENING@GREENINGLAWFIRM.COM

WWW.GREENINGLAWFIRM.COM

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