



# HOW TO GET FINANCIAL RELIEF FROM LONG-TERM CARE

Don't lose your life savings to the  
nursing home.



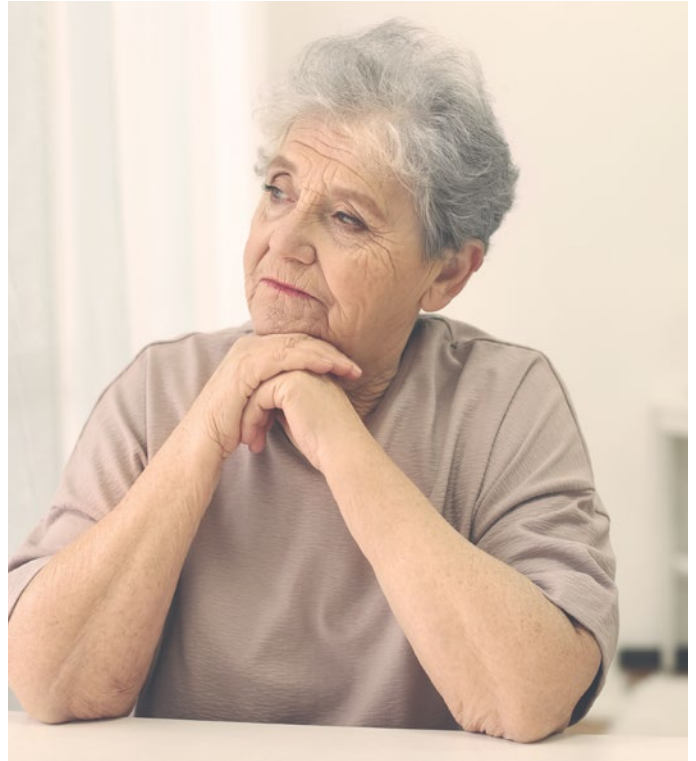
SENIOR CARE  
COUNSEL

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## Dear Reader,

As you navigate the long-term care landscape, you're probably dealing with a lot of stress and confusion. Perhaps you're concerned about a loved one's imminent long-term care stay. Or maybe your loved one is already in a nursing home, and the monthly bill is quickly draining what they have left.

At Senior Care Counsel, we are devoted to alleviating your stress, quelling your fears, and helping you get the guidance you need to achieve financial relief. Our educational resources are designed to provide insight into the Medicaid planning process, the Medicaid



program, and how your loved one can benefit. However, our main priority is connecting you with a legal professional near you who can develop a plan for your unique situation, put the plan into action, and help your loved one get the benefits they deserve.

As the average life expectancy continues to increase and a growing number of seniors require long-term care, we provide insightful education, meaningful connections, and effective solutions to help you and your loved one age with dignity.

*Sincerely,*

The Senior Care Counsel Team





# TABLE OF CONTENTS

## **3 ABOUT SENIOR CARE COUNSEL**

Who We Are .....	3
Our Mission .....	3
Who We Help .....	4

## **4 THE REALITIES OF AGING**

## **6 WHAT IS LONG-TERM CARE?**

Long-Term Care Facilities .....	6
The Risk of Delaying Care.....	7

## **8 PAYING FOR LONG-TERM CARE**

The Average Cost of Care.....	8
Who Pays for Long-Term Care? .....	10

## **12 MEDICAID PLANNING**

What Is Medicaid Planning? .....	12
Why Medicaid Planning? .....	13
How It Works.....	13

## **14 AN INTRODUCTION TO MEDICAID**

What Is Medicaid? .....	14
Medicaid Requirements.....	14
Exempt vs. Countable Assets .....	16
Giving Assets Away .....	17
Spending Down Assets .....	18
How to Qualify for Medicaid .....	18

## **19 MEDICAID MYTHS**

## **20 PLANNING GONE WRONG**

What Happens When You Try to Do It Yourself? .....	20
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## **22 MEDICAID PLANNING EXAMPLES**

Medicaid Planning for a Married Couple.....	22
Medicaid Planning for a Single Person .....	23

## **24 DISCLAIMER AND COPYRIGHT**

## ABOUT SENIOR CARE COUNSEL

### Who We Are

At Senior Care Counsel, we are devoted to helping those dealing with a long-term care event avoid financial devastation. After all, we believe everyone deserves to age with dignity and leave a legacy. In addition to providing educational resources, we connect seniors or their loved one with a trusted elder law professional in their area who can develop a customized plan to preserve what they have left and achieve eligibility for the benefits they deserve.

We are a subsidiary of Krause Group, a company focused on educating and assisting legal and financial professionals with long-term care planning. With over 30 years of experience working with professionals across the country and providing meaningful solutions for their clients, we have helped thousands of seniors achieve relief from the financial burden of long-term care.

### Our Mission

*We help seniors and their loved ones achieve financial relief from long-term care by connecting them with a trusted legal professional who can help them qualify for Medicaid.*

**An attorney is an essential ally for you to have as you plan for your long-term care.**



## Who We Help



### Those who need long-term care soon

▶ If you or a loved one is showing signs of needing care soon, we'll educate you about your options and connect you with a local attorney who can develop a unique plan for your situation.



### Those receiving long-term care

▶ Even if your loved one is already in a long-term care facility, it's not too late to protect what they have left. A member of our attorney network can help you stop the financial bleeding.

## THE REALITIES OF AGING

As the Baby Boomer generation continues to age and the population is living longer, the need for long-term care is greater now than ever before. With increased longevity comes a higher probability of needing professional care in your old age. Unfortunately, many are unprepared for the high costs associated with long-term care. With the average nursing home bill running over \$90,000 per year, many risk depleting their life savings in just a few short years.

Although everyone wants to assume it will never happen to them, the reality is over 50% of people turning 65 will require long-term care at some point. Are you prepared?



50%

Over 50% of individuals turning 65 today are expected to require long-term care.<sup>1</sup>

54%

By 2029, 54% of seniors will not have enough financial resources to pay for long-term care.<sup>2</sup>

2.8 YRS

The average projected length of a long-term care event is 2.8 years.<sup>1</sup>

<sup>1</sup>U.S. Department of Health and Human Services; <sup>2</sup>Health Affairs

## It's not too late to protect your nest egg.

The good news is, even if your loved one is already in a long-term care facility, they can still preserve what they have left. After all, everyone deserves to age with dignity and leave a legacy.

## WHAT IS LONG-TERM CARE?

Beyond medical care alone, long-term care includes assistance with common activities of daily living (ADLs), whether in a nursing home, assisted living facility, or at home.

As you age, chances are you'll become more dependent on others and unable to complete regular tasks on your own. Whether due to aging naturally or being diagnosed with diseases that cause cognitive or physical impairment, you may require some level of care.



### Long-Term Care Facilities

Long-term care encompasses multiple different settings with varying levels of supervision and care.

#### Activities of Daily Living

- Eating independently
- Bathing and personal hygiene
- Getting dressed
- Going to the bathroom
- Getting in and out of bed
- Maintaining continence

#### Long-term care services include:

- In-home non-medical care
- In-home nursing care
- Senior group homes
- Assisted living facilities
- Skilled nursing facilities
- Memory care facilities
- Nursing homes
- Hospice care

## The Risk of Delaying Care

Giving up independence can be difficult for many individuals, but avoiding care can be detrimental to your health and well-being. Plus, it can actually end up being more expensive in the long run. By delaying care and not seeking the proper help when you need it, you risk hurting yourself more and requiring a higher level of care.

Don't be afraid. The best thing you can do for yourself and your loved ones is to take action now and work with a qualified professional. Take control, know your options, and plan for your long-term care the right way.

### **Myth: My spouse or children will be able to care for me as I grow older.**

Although your loved ones may want to help care for you in your senior years, real-life factors can often impede these wishes. For example, what if your spouse also needs care? What if your adult children are too busy working and supporting a family of their own? The reality is that family caregivers can only do so much. It's important to have these conversations with your loved ones.



47%

Believe they will  
receive care from their  
spouses in old age<sup>3</sup>

26%

Believe they will  
receive care from  
their children<sup>3</sup>

<sup>3</sup>2017 Statista Care & Support Survey



## PAYING FOR LONG-TERM CARE



### HOME HEALTH CARE

**Average Cost:**  
**\$5,148** monthly<sup>4</sup>

- **Services Provided**

Assistance with activities, such as eating, bathing, and dressing, for a certain number of hours per week

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- **Typical User**

Those residing at home who need more advanced assistance than a family caregiver can provide

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- **Medicaid Coverage**

**Not** typically covered



### ASSISTED LIVING FACILITY

**Average Cost:**  
**\$4,500** monthly<sup>4</sup>

- **Services Provided**

Long-term care and assistance with activities, such as eating, bathing, and dressing, in a residential facility

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- **Typical User**

Those who can no longer live safely on their own but want to maintain some independence

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- **Medicaid Coverage**

Coverage varies by state

<sup>4</sup>Genworth Cost of Care Survey 2021



## NURSING HOME

**Average Cost:**  
**\$9,034** monthly<sup>4</sup>

\$7,908 (semi-private room)<sup>4</sup>

- **Services Provided**

24-hour care and assistance with most or all activities of daily living, which may also include rehabilitative services

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- **Typical User**

Those who require hands-on care and a high level of support at all times

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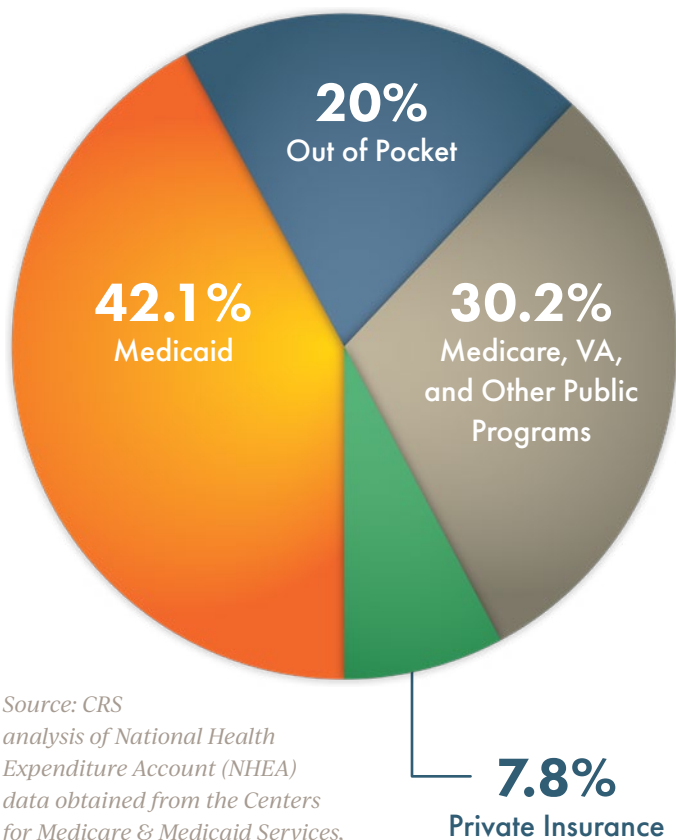
- **Medicaid Coverage**

Covered by Medicaid



**You don't have to lose  
your life savings paying  
the monthly bill.**  
***Let us help.***

## Who Pays for Long-Term Care?



Source: CRS analysis of National Health Expenditure Account (NHEA) data obtained from the Centers for Medicare & Medicaid Services, Office of the Actuary, prepared December 2021

### Medicaid – 42.1%

Medicaid is the largest payer of long-term care in the U.S. However, in order to qualify for benefits, you must meet certain requirements.

### Out of Pocket – 20%

Paying for care out of pocket may be feasible for wealthy individuals, but most seniors will deplete their life savings within one year of entering a nursing home.

### Medicare, VA, and Other Public Programs – 30.2%

Other public programs may cover a portion of long-term care costs but only in specific situations and only for qualified individuals.

### Private Insurance – 7.8%

Long-term care insurance provides benefits in the event of a care need, but you must be relatively young and healthy to qualify for a policy.

**Are you under the assumption that you must exhaust your entire life savings before you can qualify for financial assistance?**

**That simply isn't true.**



## **Myth: Attorneys cost too much.**

While legal fees associated with Medicaid planning can vary, the reality is that nursing homes can cost upwards of \$8,000/month. Therefore, the cost of paying out of pocket for long-term care far outweighs any legal fees. What you should really be asking yourself is: can you afford not to work with an attorney?





# **MEDICAID PLANNING**

## **What is Medicaid Planning?**

Medicaid planning involves legally rearranging assets in order to accelerate eligibility for benefits while preserving what's left. This type of planning takes place when your loved one is already in a nursing home and risks depleting their life savings paying the high monthly bill.

**After all, everyone deserves to leave a legacy.**

You don't have to lose your life savings paying the nursing home.

With Medicaid planning, you can **achieve financial relief** from the high monthly bill.



## Why Medicaid Planning?

Medicaid planning allows you to preserve your nest egg and escape the financial devastation of long-term care. Unfortunately, many people believe they will never require long-term care and, therefore, fail to plan ahead. Some also believe Medicare will cover the cost of a nursing home. In reality, Medicare only provides coverage in certain situations, and these benefits expire after just 100 days.

**That's where Medicaid comes in.**

### How It Works

- 1 Your loved one moves into a nursing home.
- 2 You see the monthly bill and worry about quickly depleting their assets.
- 3 You work with us to get connected with an elder law attorney in your area.
- 4 The attorney helps you spend down your loved one's assets so they can qualify for Medicaid.
- 5 Your loved one gets the benefits they deserve while preserving what they have left.

**Myth. If I'm already in a facility, it's too late to protect my assets.**

While planning ahead for long-term care allows for more flexibility, it's never too late to protect what you have left. Medicaid planning allows you to pursue Medicaid benefits while preserving your hard-earned assets.

# AN INTRODUCTION TO MEDICAID

## What Is Medicaid?

Medicaid is a federal and state program that provides healthcare coverage for a variety of individuals and families with limited income and resources, including the elderly, blind, and disabled. In fact, Medicaid pays for over 40% of long-term care costs in the United States.

## What Does Medicaid Cover?

In the context of long-term care, Medicaid covers the entire cost of care, including room, board, pharmacy, and incidentals, minus a small co-pay in some cases.

## Medicaid Requirements

### Non-Financial Rules \ \

To meet the non-financial requirements for long-term care Medicaid, you must:

- Be age 65 or older, blind, or disabled
- Be a U.S. citizen or a qualified non-citizen
- Reside in a Medicaid-approved facility

### Financial Rules \ \

#### Income

In most states, the Medicaid recipient's income must be less than the cost of the nursing home. Since the monthly bill is typically \$8,000 or more, most seniors easily meet this requirement. For married couples, the healthy spouse has no limit on their income.

#### Assets

In most states, the Medicaid recipient can keep \$2,000 in countable assets. For married couples, the healthy spouse is able to keep a much larger amount. This allowance varies greatly by state but can exceed \$100,000 in many cases.



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## **With these strict rules, how will I qualify for Medicaid?**

Although you may believe the only way to qualify for Medicaid is by first exhausting your entire life savings, that's simply not true. The reality is you can legally preserve your assets while also accelerating your eligibility for Medicaid. However, it's crucial you have the right guidance from a legal professional who can develop a plan that works for your specific circumstances.

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## **Myth: The Medicaid applicant's spouse must pay for their care.**

Many people believe that if a Medicaid recipient is married, the spouse at home must contribute their income to the ill spouse's monthly bill. However, this simply isn't true. In fact, it's the opposite. If the spouse at home has a low enough monthly income, they'll actually receive some of the ill spouse's income.



## Exempt vs. Countable Assets

Medicaid separates an individual's assets between exempt and countable. While countable assets count toward the asset limitations, exempt assets do not. Here are some of the most common countable and exempt assets.

### Countable Assets

- Cash
- Bank accounts
- Most annuities
- Retirement accounts
- Investments, stocks, and bonds
- Life insurance (if face value exceeds \$1,500 in most states)
- Extra vehicles
- Extra land



### Exempt Assets

- Your home
- One vehicle
- Personal property and household items
- Funeral expense trusts of \$15,000 or less (in most states)
- Life insurance policies below \$1,500 (in most states)

## What About Retirement Accounts?

In most states, retirement accounts are considered a countable asset for Medicaid purposes. However, some states exempt retirement accounts owned by the healthy spouse or either spouse. Your attorney will be able to advise based on how these accounts are handled in your state.

## Giving Assets Away

Although you may be tempted to give away your assets to meet Medicaid's strict qualifications, doing so can delay your eligibility. In addition to the income and asset limitations, Medicaid has rules preventing applicants from simply giving away their excess countable assets in order to qualify for benefits. That's why it's important to work with someone who understands the rules and regulations of the Medicaid program.



**Medicaid has rules preventing applicants from giving away assets to meet the strict financial limitations.**

### **Myth: If I give away assets, I won't qualify for Medicaid for five years.**

While Medicaid does have rules against giving away assets during the five-year period prior to applying, you don't have to wait five years to qualify. If you meet the other eligibility requirements but have gifted assets in the last five years, you will incur a penalty period of ineligibility. However, that period typically only lasts a matter of months.

## Spending Down Assets

The reason most people don't qualify for Medicaid is they have too many countable assets. A key part of the Medicaid planning process is spending down these assets with the help of an elder law attorney.

**Even if you or your loved one have a small amount of savings left to protect, Medicaid planning can help you age with dignity and escape the financial devastation of long-term care.**

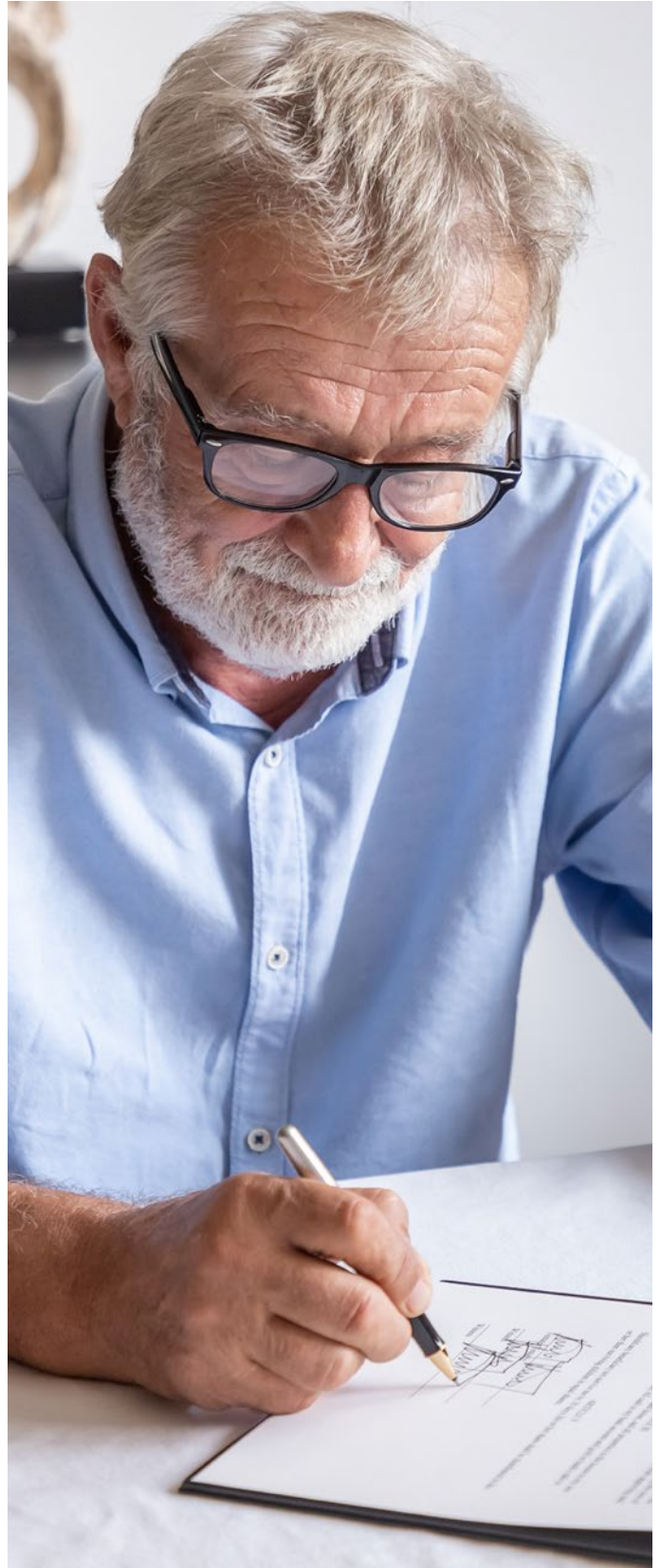
## How to Qualify for Medicaid

In most cases, it's Medicaid's asset limitation that prevents applicants from qualifying for benefits. Therefore, it comes as no surprise that many believe they have to lose their entire life savings in order to be eligible. Fortunately, there are steps you can take to qualify for benefits faster and preserve your assets in the process.

If your loved one is in a nursing home or about to enter one, it's not too late to get the help you deserve.



To get started, visit  
**[seniorcarecounsel.com](https://seniorcarecounsel.com)**



# Medicaid Myths

1

## **Attorneys are too expensive.**

**Fact:** The cost of continuing to pay the monthly care bill far outweighs the cost of an elder law attorney. Although you may be spending some money now, you can rest assured your loved one's savings are protected.

2

## **Estate planning and elder law are only for rich people.**

**Fact:** Any amount of savings is worth protecting. Everyone deserves to preserve their nest egg, age with dignity, and leave an inheritance for future generations.

3

## **Medicaid is only for poor people.**

**Fact:** Although Medicaid has asset limitations, you do not have to be poor to qualify. You can use Medicaid planning solutions to preserve what you or your loved one have worked so hard for.

4

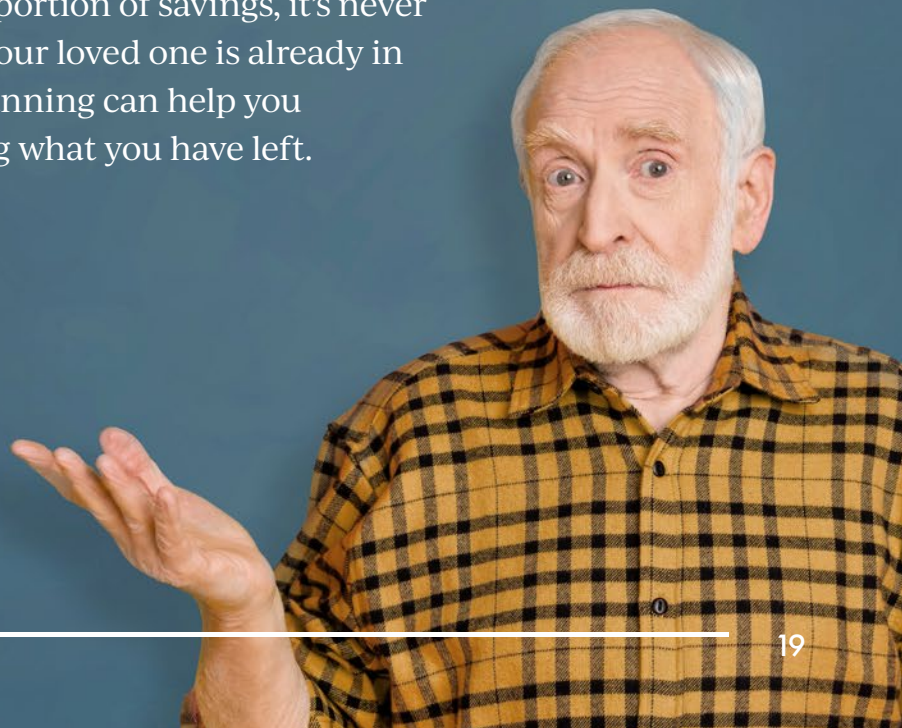
## **I have to spend all my money on the nursing home before I can qualify for Medicaid.**

**Fact:** Although Medicaid has rules about giving money away, that doesn't mean you can only spend funds on care before qualifying for benefits. Medicaid planning allows you to spend down your hard-earned savings while also protecting it.

5

## **Once I'm in a nursing home, it's too late to save my money.**

**Fact:** As long as you still have a portion of savings, it's never too late to plan. Even if you or your loved one is already in the nursing home, Medicaid planning can help you obtain benefits while preserving what you have left.





## PLANNING GONE WRONG

### What Happens When You Try to Do It Yourself?

Although you might be tempted to plan for your loved one's care all by yourself, doing so can lead you to fall into some dangerous traps. You might be thinking, "What could go wrong?" Let's take a look.



**Meet Sue and  
her daughter, Rachel.**

Sue's health has been deteriorating for a few years now. Up until now, Rachel has been able to handle caring for her mother at home, but it's getting to be too much. Rachel knows how expensive the nursing home bill can be, but she recently heard a friend talking about how she was able to spend down her parents' assets to help them qualify for Medicaid benefits. In preparation for moving Sue into a nursing home down the road, Rachel transferred her mother's checking and savings accounts, IRA, and a few other assets to her and her siblings.

**Unfortunately, when she went to apply for Medicaid for her mother, she was denied.** Rachel didn't realize that Medicaid has rules against transferring certain assets and making gifts. Now, Sue won't be able to receive benefits for about a year, forcing Rachel and her siblings to cover the nursing home bill in the meantime.



**What if Rachel would have worked with an elder law attorney?** If Rachel had consulted with a legal professional, they would have known about Medicaid's rules regarding gifts and other crucial Medicaid requirements. Instead of transferring all of Sue's assets, the attorney would have been able to help her legally arrange her mother's assets to protect what she has left and get her qualified for Medicaid as quickly as possible.

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### **Why do I need an attorney to help me with long-term care?**

In addition to qualifying for benefits, the Medicaid planning process also involves rearranging your assets in order to preserve them. An attorney can help you take care of this in a way that works best for your situation and reduces the risk of a Medicaid denial.

## MEDICAID PLANNING EXAMPLES



**Meet Bob and Carol**

**Without Planning:**  
**\$8,500/mo**

**After Planning:**  
**\$1,800/mo**

**Savings:**  
**\$6,700/mo**

### **Medicaid Planning for a Married Couple**

#### **The Problem**

Bob entered a long-term care facility 45 days ago, and Carol recently received a monthly bill for \$8,500. Carol is concerned the high monthly bill will soon drain their entire nest egg. Unfortunately, Carol and Bob have about \$250,000 in excess countable assets preventing Bob from qualifying for Medicaid. If they do nothing, the couple risks depleting their assets in just over two years.

#### **The Solution**

Carol works with a local elder law attorney to spend down their assets properly using a Medicaid Compliant Annuity. Bob then applies for and begins receiving Medicaid benefits. Now, Carol can maintain her livelihood at home and preserve a legacy for their children.

**Total Assets Protected:**  
**\$240,000**



**Meet Rita**

**Without Planning:**  
**\$9,000/mo**

**After Planning:**  
**\$1,900/mo**

**Savings:**  
**\$7,100/mo**

## **Medicaid Planning for a Single Person**

### **The Problem**

Rita's children recently moved her into a nursing home after they could no longer care for her at home, and they're worried about covering the monthly cost of \$9,000. Rita has \$150,000 in excess assets preventing her from qualifying for Medicaid benefits. Her children want to find a way for her to age with dignity without having to deplete her nest egg. If they do nothing, Rita risks depleting her assets in just 16 months.

### **The Solution**

Rita's children work with an elder law attorney, who helps them properly spend down Rita's assets, allowing her to preserve about half of her life savings through a gift to her children and funding the rest into a Medicaid Compliant Annuity. Rita then applies for Medicaid and eventually begins receiving benefits.

**Total Assets Protected:**  
**\$85,000**





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