

All in the Planning

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Elder Law: Long-term Medicaid with Couples

Tip Corner

CVAA is celebrating its 40th birthday this year. Champlain Valley Agency on Aging serves Addison, Chittenden, Franklin, and Grand Isle Counties.

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**Thank you CVAA
for 40 years of
serving seniors!**

Lawyer Joke

Q: *In what position does an attorney sleep?*

A: *Well, he first lies on one side, then he turns over and lies on the other.*

Medicaid long-term care benefits (known in Vermont as the Choices for Care program) are available to individuals who meet certain requirements—both medical and financial. As many would expect, the financial rules are fairly stringent, and an individual can have no more than \$2,000 in countable resources. However, what seems less widely known is that there are more generous allowances for the spouse—the non-Medicaid applicant who is living in the community with his or her own expenses to meet.

Because nursing home-level care can exceed \$10,000 monthly, it can be quite challenging for a “healthy” spouse to meet those

expenses and also maintain his or her own standard of living. To combat spousal impoverishment when one member of the couple requires nursing home level care, the federal government provides a certain range of minimum and maximum spousal allowances, including the “Community Spouse Resource Allowance.” These figures typically increase annually, and this year’s min/max allowance for Vermont is an amount up to \$117,240.

In other words, if a couple has \$100,000 in countable resources and one spouse requires nursing home level care, they are financially eligible. And a couple with \$150,000 in countable resources is over-asset (and

not yet eligible) by about \$30,000. That is a huge difference from the widely-held perception that you can only have \$2,000!

Now that the numbers are more clear, what do “countable resources” include? It’s actually a bit easier to consider what may be “non-countable.” In general, exempt resources include a primary house of any value (if spouse is living there), a burial account of up to \$10,000, a car, household furnishings, and retirement accounts if certain criteria are met.

And, with some planning, a couple can preserve assets beyond the automatic allowance of \$117,240.

Estate Planning: Resolution to Organize

The New Year has come and gone, so how are your resolutions? Do you need one that you can accomplish with just a little time and no money? It may not be as glamorous as the latest craze diet or workout regimen, but a resolution to organize your personal affairs, both legal and financial, has been proven to reduce stress!

Let’s presume, for a moment, that you have your “affairs” in order. Is everything organized? Are all the pertinent papers in one spot? Are they safe yet accessible? Does anyone other

than you know where to locate them and would they have access in the event of your illness or death?

Let’s still presume that you have answered these questions in the affirmative. Can you also say that this third party would have a clue what to do in such a situation? Will he have to ransack your house or hack into your computer?

Here’s one “organizing” suggestion: prepare an instruction letter to your “third party,” whether it be your

Executor, successor Trustee, or other fiduciary agent. This letter shouldn’t be a lengthy manual, but a couple of pages of pertinent information. Just imagine what you’d need to know if you were thrown into a similar situation—contact info for family, friends, advisors; location of important documents; asset summary; list of expenses/debts; location of keys, passwords.

And then share with a trusted someone—you really don’t want to leave behind a scavenger hunt for your loved ones.

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