

FINANCIAL INSIGHTS

Managing a Medicaid Crisis

In the United States, the median monthly cost of a semi-private room in a nursing home is currently more than \$7,400. The cost of a private room exceeds \$8,350 per month. Depending on where you live, costs can be considerably higher. In addition, costs rise according to the level of care needed and they are expected to increase dramatically in the future. (You can see the current costs for home care, adult day care, assisted living, and nursing home care in your area by visiting <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>.) To make matters worse, nearly 70 percent of us over the age of 65 will require long-term care at some point in our lives and 20 percent of us will need long-term care for five years or more.

All of this helps explain why so many families exhaust their life savings within a few years of a family member entering a nursing home. And why more than half of all nursing home stays are now funded by Medicaid.

A Medicaid Crisis is a situation where a person has already moved to a nursing home, or must enter one in the very near future, and has been informed that he



or she owns too many assets to qualify for assistance from Medicaid to pay for it. Given the high cost of nursing

If you or a loved one is facing a Medicaid Crisis, try to remain calm. Much of the information we hear about Medicaid from friends, relatives, nursing home staff, caregivers, and many others is outdated or incorrect.

A qualified elder law attorney can help you obtain assistance from Medicaid if you must enter a nursing home next month,

next week, or tomorrow. In fact, it is possible to get Medicaid assistance even if you are already in a nursing home. And if you have applied for Medicaid assistance in the past but you have been rejected, it is entirely possible that a qualified elder law attorney can still obtain the financial assistance you need.

You've worked too hard to lose your life savings to the nursing home. Don't let misinformation or unexpected life changes prevent you from getting the financial assistance you need and deserve.

Estate Planning and Taxes in 2021



Estate planning is about much more than reducing taxes; it's about ensuring your loved ones are provided for after you're gone and that your assets are passed on according to your wishes.

The Tax Cuts and Jobs Act of 2017 has put estate, gift, and generation-skipping transfer (GST) tax exemptions at record-high levels, so as a result, far fewer taxpayers are worrying about these taxes. The high exemptions, however, are currently only available through 2025, and it's possible the limits could be reduced sooner. So, whether you'd be subject to estate taxes under the current exemptions, it's a good idea to consider if there are steps you can take now to save taxes later.

Trusts can provide a way to transfer assets and potentially enjoy some tax savings while preserving some control over what happens to the transferred assets. For those with large estates, funding them now, while the gift tax exemption is high, may be particularly tax-smart.

Here are some types of trusts to consider:

A qualified personal residence trust

(QPRT). It allows you to give your home to your children today — removing it from your taxable estate at a reduced gift tax cost (provided you survive the trust's term) — while you retain the right to live in it for a certain period.

A grantor-retained annuity trust

(GRAT). It works on the same principle as a QPRT but allows you to transfer other assets; you receive payments back from the trust for a certain period.

A GST — or “dynasty” — trust. It can help you leverage both your gift and GST tax exemptions. And it can be an excellent way to potentially lock in the currently high exemptions while removing future appreciation from your estate.

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HELPING FAMILIES
WHILE PROVIDING PEACE OF MIND



HELPING FAMILIES:

Michael Rutkowski

Last year Mike Rutkowski helped a busy physician who was a partner in his practice. Mike put an Asset Protection Plan into place, which helped the doctor sleep better at night.

Fast forward a year, and the same physician was sued for malpractice. The Asset Protection Plan not only protected he and his family's assets, but also added a layer of protection for the physician practice he was a part of.

What a great week! We were able to help a family protect all of their hard-earned assets after their Mother fell at home and now needs nursing home care. This family will literally spend ZERO dollars on Mom's care as she transitions from Medicare to Medicaid! There were so many things to navigate as this was very emotional for the family and unexpected. Rutkowski Law Firm saves the day!



HELPING FAMILIES:

Kendra Rozboril

Medicaid Nursing Home allows for individuals to have one house and one car. What happens though if your loved one has no liquid assets, but more than one house and one car? Recently, Attorney Kendra Rozboril was able to work with a family to not only get Medicaid Nursing Home qualification, but also save the additional real property and vehicle using a Special Needs Trust.

Additional real property and vehicles are considered an asset when applying for Medicaid Nursing Home benefits. This means that the value of the additional property is counted against the individual. This results in benefits not being approved until those additional assets are sold and the proceeds are spent on nursing home costs. One exception to this is by transferring assets to a qualified Special Needs Trust to benefit a disabled child. Using this exception to greatly benefit the family, Kendra drafted a Special Needs Trust, and once all assets were transferred to the trust, Medicaid Nursing Home benefits were approved.