

**Crisis Care Planning** - Help guide a client who needs **immediate** care either inside or outside the home in order to keep them safe.

The **need** for Crisis Care Planning generally arises from a loved one's:

- fall resulting in broken bones or severe injuries
- car wreck
- house fire
- medication mishap
- wondering out of the house
- aggressive, paranoid, schizophrenic behavior
- becoming a danger to themselves or a danger to others.

**\*Disclaimer:** The information provided in this presentation is intended to be educational and informational only and should not be construed as tax or legal advice. Seek the advice and counsel of an attorney as to your specific situation.

Crisis Care Planning gives the family caregivers the guidance needed to protect the legal, financial and personal well-being of the loved ones who need immediate care.

## **THOSE WHO BENEFIT FROM CRISIS CARE PLANNING**

People that need **immediate** long-term care either in or outside the home **to keep them safe**. They are **completely dependent** on others **for self-care**

OR

Immediate action is needed to pay for care **without** bankrupting the family.

**Every Crisis Care Protection Plan** is customized to meet the needs of the client and typically **include** elements of :

- Elder Law
- Estate Planning
- Life Care Planning
- Care Coordination
- VA and Medicaid benefits
- Advocacy and Insurance

The **primary factors** in determining the best practices, strategies, and plan:

- The cost of care needed
- The net income of the individual or couple
- The level of resources (assets) available
- The nature of those resources (assets - both liquid and non-liquid) available
- The immediacy of the care needed

The **"Significant Seven"** of Resources are:

- Fixed income (e.g. Social Security and pension)
- Income generated from your savings and investments
- Conversion of home equity to cash
- Long-term Care Insurance OR Life Insurance
- Medicare and Medigap (supplemental) insurance (for short periods of long-term care)
- Veterans Administration (VA)
- Medicaid

A client or client family with available assets more than approximately \$1.6M may consider and employ strategies that include asset protection, retitling various assets or merely self-paying. Their primary concern may be:

- Care Selection
- Care Coordination
- Asset Protection against Catastrophic Events that would substantially reduce their available assets and/or endanger their independence, comfort level and options.

A client or client family with available assets less than \$1.6 M (the vast majority of the American population) may benefit from public benefits:

**Veteran's Aid and Attendance** – a pension benefit for veterans, spouses and survivors – that currently pays up to \$2,266 per month to a married vet --- \$1,911 per month to a single vet, and --- up to \$1,228 per month to a widowed spouse of a vet.

Generally, VA Aid & Attendance benefits PLUS the Individual or Couple's Monthly Income will cover the costs of **basic home care OR the cost of an Assisted Living Facility.**

### **Medicaid Benefits - AKA The Long-Term Care Plan for the Middle Class**

**For the Married Couple With One Spouse Needing LTC – “Whole Loaf Strategy”** – the couple will keep **ALL** of their assets and the Disabled Spouse will receive Medicaid benefits covering his or her cost of care.

**For the Single Person (Or When Both Spouse) Needing LTC – “Half Loaf Strategy”** – the individual needing care will keep approximately **HALF** (50-65%) of his or her assets to be held by a trusted family member or friend... and the individual will receive Medicaid benefits covering his or her cost of care.

### **Three (3) Separate Medicaid Programs Available to Individual in Need of Care**

- **Home & Community Based Care** (the care is provided in home);
- **Assisted Living Facility Care** (care is provided in an assisted living facility); and
- **Vendor or Institutional care** (care is provided in a skilled nursing facility or memory care unit)

### **Some Common Strategies to Qualifying for Medicaid:**

1. Convert Countable Assets to Stream of Income;
2. Covert Countable Assets to Non-Countable Assets (e.g. pre-paid irrevocable burial plan, buy a new family vehicle)
3. Spenddown Countable Assets – pay off debt, remodel home,

**Common Tools for Converting Excess Assets (above the eligibility limit) to a Stream of Income are a**

Medicaid Compliant Annuity (MCA) OR  
Medicaid Compliant Promissory Note (MCPN).

**“Medicaid Compliant” simply means the financial instruments must:**

**Be Irrevocable.**

**Be Non-Assignable.**

**Be Actuarially Sound.** The term of the annuity must be fixed and must be equal to or shorter than the owner’s Medicaid life expectancy.

**Provide Equal, Monthly Payments.** AND

**Name the State Medicaid Agency As Beneficiary either after the well spouse or the ill-spouse.**

Medicaid Compliant Annuities can work with **Qualified Plans**, like IRAs or 401(k)s, owned by the person in need of care OR his or her spouse.

**Client selects the payback term** of these financial products – starting with as little as a 2-month payback. Get the funds back quickly and reinvest.

The Lifescape Team is here to support you and your clients through life’s seasons. Call or connect with us online to schedule a follow-up appointment to learn more.