

### INSIDE THIS ISSUE:

AHCCCS 2  
Update

Income-only 2  
trusts

AHCCCS 2  
Update (cont)

Employee 3  
Achievement

About Us 4

Contact In- 4  
formation

# Long Term Care Planning Means . . .

Knowing what financial options are available to pay for long term care for both pre-crisis & crisis planning. Let's talk this month about pre-crisis planning.

Some of the pre-crisis options to pay for long term care include:

- Self-insurance through financial planning (learning and setting aside a portion of your income each month)
- Long term care insurance
- Reverse mortgages

Self-insurance or setting aside a portion of your income now for future use requires patience and dedication to the long term goal. If you have only 20 years to achieve the goal and the average amount needed to provide for your future long term care needs is about \$58000.00 per year and you are able to earn a rate of return of 10%, in today's dollars you would need to save \$305.52 per month. If, however, you have 40 years before the potential need for long term care, then you can reduce the monthly contribution to \$36.69. If a \$268.83 savings now doesn't convince you to start early . . . Well . . . There's another alternative: Long term care insurance.

Long term care insurance may be right for you IF . . .

- ◇ You have not been diagnosed with a long term care

illness

- ◇ You have significant assets or income you want to protect
- ◇ You can pay the premiums without financial difficulty
- ◇ You want to stay independent of the support of others or stay independent of Medicaid assistance
- ◇ You want to have flexibility of care in the setting of your choice

Long term care insurance policies may cover:

- Nursing facility care
- Home health care
- Respite care
- Hospice care
- Personal care in your home
- Services in adult care homes or assisted living facilities
- Adult day care

And Reverse Mortgages can be a viable option to fund or supplement your long term care needs, too. Reverse mortgages are available to those who are 62 years or older who have equity in their home. With a reverse mortgage, the home owner can continue to live in their home as long as they want. The reverse mortgage does



not require monthly mortgage payments. There are no income qualifications for this type of loan. A reverse mortgage can provide easy access to the equity in their home. Reverse mortgages may be tax-free (consult a tax advisor for more information about this) and the monies can be received as one lump sum, or in regular monthly payments as long as the owner lives there, or in regular monthly payments for a fixed period, or in a line of credit, or any combination of these.

**If you are interested in learning more about these options for pre-crisis long term care planning, please call us at 480/464.4968.**

**We'd be delighted at the opportunity to introduce you to our trusted long term care insurance associates, financial planners, and reverse mortgage specialists.**

# AHCCCS Program Update

On June 21, 2006, Governor Janet Napolitano signed into law Senate Bill 1442 - AHCCCS; Temporary Medical Coverage Program, establishing a new state funded medical coverage program. The program had widespread support from the legislature. \$6.5 million dollars were allocated to the program for the first year and \$8 million for each year thereafter.

The Social Security Disability Insurance (SSDI) - Temporary Medical Coverage program was established to provide health insurance coverage to individuals who are no longer eligible for Medicaid (for example, due to excess income when they began to receive Social Security Disability benefits), but who are not yet eligible for Medicare benefits.

The program is 100% state funded. Enrollees will be accepted subject to the availability of funds. An applicant may be placed on a waiting list if funding is insufficient.

The program was implemented effective October 1, 2006. Customers applying for this program must meet the following AHCCCS general eligibility requirements:

- Provide a valid application;

- Meet the residency requirements;
- Be a citizen of the United States or a qualified non-citizen;
- Have a verified Social Security number.

In addition to the eligibility requirements listed above, customers must meet the eligibility requirements specific to the SSDI-Temporary Medical Coverage program. A customer must:

- Have received AHCCCS Medicaid benefits within 24 months prior to applying for the program;
- Be currently receiving SSDI cash benefits;
- Not yet be eligible to receive Medicare benefits;
- Not be eligible for or be covered by Medicaid, KidsCare or HIFA parent AHCCCS programs;
- Not be receiving other creditable health insurance coverage;
- Not have unpaid premiums from another AHCCCS program; and
- Pay a premium based on monthly gross household income.

(Story continues on page 3)

NEWSLETTER

Is your gross monthly income greater than \$1869.00 and are you trying to qualify for the ALTCS program?

If yes, there is an answer to your dilemma.



## Income-only Trusts

Income-only trusts (aka: Miller trusts) are used to create income eligibility when an ALTCS applicant's gross monthly income exceeds the current income standard (\$1869 per month for year 2007). This trust is for the benefit of the person in need of long term care only and cannot be used for the benefit of any other person or entity. There are very specific disbursements rules that must be followed. Failure to follow them could result in ALTCS discontinuance. Arizona Health Care Cost Containment System

(AHCCCS) is the primary beneficiary of the trust. Upon the applicant's death, the remaining balance (or an amount equal to the total medical expenses AHCCCS paid on the applicant's behalf) will be due to AHCCCS.

Some law firms are charging as much as \$2500.00 for this type of trust. Carol Aragon-Montgomery is a Certified Legal Document Preparer and can prepare this trust for you for \$400.00. Call 480/464.4968 when you have an income-only trust need.

NEWSLETTER

# AHCCCS Program Update continued . . .



**Caption describing picture or graphic.**

(Continued from page 2)

There are no resource or income limits for this program; however, verification of gross household income is required for the calculation of the monthly premium amount. The requirement to apply for potential benefits also is not an eligibility requirement for SSDI - Temporary Medical Coverage. Eligibility, enrollment and premiums are prospec-

tive with the first month of eligibility. Eligibility begins:

- The month after the current month when the application is processed by the 25th of the month;
- or The second month after approval if the application

is approved after the 25th of the month.

Premiums are based on gross household income:

Applications will be processed within 30 days of receipt of the application.

When an individual is approved for the program, the customer will receive AHCCCS Medical Services, along with Behavioral Health Services). Customers will enroll in a capitated health plan within their geographic location. Because Indian Health Services (IHS) is not a capitated health plan it is not an enrollment choice for this coverage group.

SOURCE: <http://www.ahcccs.state.az.us/Publications/Eligibility/transmittals/transmittal38.asp>

Monthly Household Income	Premium Per Person
100% and less than or equal to 150% of FPL	\$60
151% and less than or equal to 200% of FPL	\$120
201% and less than or equal to 250% of FPL	\$180
251% and less than or equal to 300% of FPL	\$240
301% and above	\$300

**TEAMWORK**  
*“Individual commitment to a group effort—that is what makes a team work, a company work, a society work, a civilization work.” - Vincent Lombardi*

## Employee Achievements

Tiffany Aragon, employee of the firm, has been accepted into the International Baccalaureate (IB) Program at Westwood High School. The IB Program is a college preparatory program with a comprehensive and challenging liberal arts curriculum. It is designed for the academically talented student who is willing to work conscientiously in a structured academic setting.

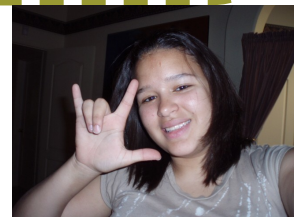
Additionally, Tiffany was selected among

many Westwood High School students to be a representative at Girls State held at the University of Arizona in June 2007. Girls State is an opportunity to learn about government with emphasis on political parties, campaigns, and elections. It is hosted by the Arizona American Legion Auxiliary.

And finally, Tiffany has been selected as a Co-Secretary General of the Westwood Model United Nations team for the 2007-

2008 school year. This will be her third year as part of this team. She has attended Model UN conferences in Mesa, AZ, San Francisco, CA, England, and Ireland, and will be heading to France in the fall.

Congratulation on your achievements!



**You GO GIRL!!!**

# MONTGOMERY & Associates

An A.L.T.C.S. Planning Firm

PO Box 458  
Mesa, AZ 85211-0458

Phone: 480/464.4968

Fax: 480/969.9779

E-mail: [carol@altcsplanning.net](mailto:carol@altcsplanning.net)

**Let our umbrella of guidance shelter  
you from the long term care cost storm!**



Montgomery & Associates, Inc. has been providing quality long term care planning services in the State of Arizona since 2001. Our planning focuses on Arizona's Medicaid Program, AHCCCS, its acute care, Medicare Cost-Sharing & ALTCS programs, the VA programs that help pay for long term care, and preparation of certain types of legal documents. We want you to know that you can count on us to be a valuable resource for ALTCS/VA planning and legal document preparation.

# MONTGOMERY & Associates

An A.L.T.C.S. Planning Firm

PO BOX 458  
MESA, AZ 85211-0458

**Take a look inside at this month's newsletter!**

Please deliver to:

---

---

---

---