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## 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 crisis planning.

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

- ◇ Medicaid Planning
- ◇ Medicaid/ALTCS
- ◇ Veterans Benefits
- ◇ Reverse Mortgage

**Medicaid Planning** requires that you seek out educated professionals who understand the system. You also want the opportunity to attend a consultation for the evaluation of your particular situation. At your consultation, information should be presented which provides you with all of the available options to qualify for Medicaid benefits. And finally, you may want to implement planning to save some assets and position yourself to obtain a successful approval the first time you apply for the program.

**Medicaid or in the State of Arizona, ALTCS** (Arizona Long Term Care System) can help you pay for long term care expenses, but you have to qualify for that program. There are three sets of eligibility criteria: Non-financial, Medical, and Financial.

**On the Non-financial side of things you must:**

1. Be linked to the program

through age or disability

2. Verify Citizenship or Qualified Alien status
3. Verify your identity
4. Verify your Social Security Number
5. If married, verify your marital status
6. Be living in the ALTCS approvable living arrangement
7. Apply for all potential benefits
8. Assign your rights to health benefits to AHCCCS

**In order to be medically eligible for ALTCS**, the applicant must meet or exceed a combination of functional and medical factors as established by the Preadmission Screening process. The applicant must need long term care at a level of care comparable to that provided in a nursing facility, but which is below that of an acute care setting (hospitalization or intense rehabilitation) and above that of a supervisory/personal care setting. In the aggregate, the eligible ALTCS customer will have a functional and/or medical condition that is so impaired as to interfere substantially with the capacity of the individual to remain in the community, and result in



long term limitation of the individual's capacity for self care. An individual who meets ALTCS criteria for Title XIX eligibility will present with a combination of the following needs or impairments:

1. **Requires nursing care by or under the supervision of a nurse on a daily basis;**
2. **Requires regular medical monitoring; Impaired cognitive functioning;**
3. **Impaired self care with activities of daily living;**
4. **Impaired continence;**
5. **Psychosocial deficits.**

**And on the Financial side of things you must:**

1. Have income below the current income limit of \$1869.00 per month for a single individual or \$3738.00 for a couple

(continued on page 2)

## Crisis Options to Pay for Long Term Care (continued)

(continued from page 1)

1. See page 1
2. And have countable assets below the current resource limit of \$2000.00 for a single individual or for couples, the countable assets can range from \$22,328.00 up through \$103,640.00 (please note that this number is determined based on each couple's unique circumstances)
3. And have no transfers of assets that create a period of ineligibility for long term care

**The Medicare Cost-Sharing** programs do not cover long term care expenses, but they can increase a Medicare beneficiary's income by approximately \$1,122.00 annually. If income is less than \$1,149.00 per month for a single person and less than \$1,541.00 for a couple, you may qualify for these programs. **PLEASE NOTE:** There are **no asset limits** for these programs, so as long as you meet the non-financial and income guidelines, you qualify for this benefit.

**Veterans Benefits:** If you are a Veteran or widow of a Veteran who served at least 90 days active duty with at least one day served during a war-time period, and you were discharged other than dishonorably,

AND . . .

If you have less than \$60,000.00 in assets (not necessarily including your home and automobile),

AND . . .

If your income each year is less than the cost of care **provided** (including monthly charges by assisted living or nursing facilities, adult care home, costs of doctor's appointments and non-reimbursed prescription amounts, medical supplies, eye glasses, hearing aids, travel to medical appointments, etc.),

AND . . .

If you have a medical diagnosis by a doctor (yours and/or the VA doctor) that states that you cannot live independently and need regular assistance and care,

THEN . . .

You may be eligible for a cash benefit from the Department of Veterans Affairs (VA).

**AND Reverse Mortgages** can be a viable option to fund or supplement your long term care needs, too.

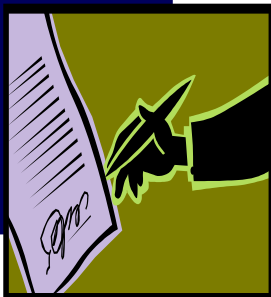
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NEWSLETTER

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.



NEWSLETTER

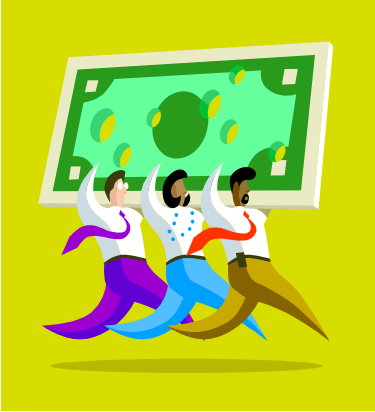
## Income-only Trusts

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.

# Crisis Options to Pay for Long Term Care (continued . . .)



(Continued from page 2)

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. **ADDITIONALLY**, a person can draw the equity out each month to supplement their in-home care needs and **STILL** qualify for Medicaid/ALTCS. The draw is not considered an income stream, and as long as the draw is spent before the month is out, the draw doesn't affect the resource eligibility either.

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

**Montgomery & Associates offers the following services:**

⇒ **ALTCS Planning** – helping families with the spend down, qualification, and application processes for ALTCS

⇒ **VA Planning** – helping families with the spend down, qualification, and application processes for Veteran's benefits

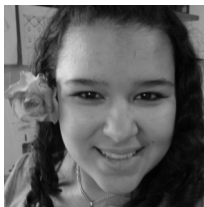
⇒ **Legal document preparation** – helping people put their documents in place (powers of attorney for financial, medical, and mental health care, living wills, income-only trusts, deed preparation)

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

**CALL 480/464.4968**

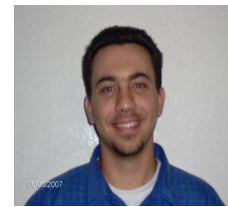
SOAR  
"To accomplish great things, we must not only act, but also dream; not only plan, but also believe."  
—Anatole France

## Employee Achievements



Tiffany Aragon just celebrated her 2nd anniversary working for the firm. Her anniversary date was July 15, 2007. Tiffany started as a file clerk and is now assisting the firm with the ALTCS annual renewals for

clients, creating procedures for the firm's many tasks, and assisting with the marketing of the firm's services. She still has to file (lol), but now we keep her busy with many other projects, too. She also just got her drivers license this month so give her a wave if you see her in her new Toyota Corolla.



**We have a new addition to our firm:** Robert Schmidt. Robert will be marketing our companies' services to the community. He comes to us with vast knowledge in customer service and we are proud to have him join our firm.

# MONTGOMERY & Associates

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**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.

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

Please deliver to:

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