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Partial Month Penalties for Transfers Made on or After October 1, 2007

For uncompensated transfers that are made on or after October 1, 2007, a partial month penalty period is assessed based on the carry-over amount of the transfer. In addition, a prorated share of cost is determined based on the number of days in the partial month that the customer is eligible for full ALTCS benefits.

An uncompensated transfer is one in which an ALTCS applicant or member has sold, traded, transferred, or given away any property or income for which they did not receive full value. For example: a person gave away their savings bond and it was worth \$500.00. The person that they gave it to did not give them any cash or assets in trade for that item so the full \$500.00 would be considered "uncompensated."

To determine if there is a carry-over, ALTCS divides the total uncompensated transfer amount by the average private-pay rate in the State of Arizona. The whole number is used to

determine the actual full number of months of the penalty period and the fraction of the number is used to determine the carry-over and thus the pro rata share for the partial month and share of cost.

What does this mean to you? Well, if you have uncompensated transfers that result in whole plus fractions of months, your eligibility for full long term care benefits (those are the benefits that pay for the long term care bills), will be affected. A person may be eligible only a few days out of the month. For example, if a person has a .25 carry-over for a transfer penalty period, the person would be ineligible for full long term care until the 8th of the month. This means the applicant will have to privately pay for their long term care bills for the first seven days. ALTCS will begin picking up their long term care costs on day 8.

As this has serious implications for those working on ALTCS planning, it will be very important to seek information from



knowledgeable resources about appropriate ALTCS planning.

Montgomery & Associates, Inc. has been providing ALTCS Planning Services since 2001. Our staff have a combined 38 years experience dealing with the ALTCS program.

Refer those with an ALTCS Planning need to

Montgomery & Associates

480/464.4968

Spouses as Paid Caregivers

New provision allows Medicaid reimbursement to husbands and wives who care for loved ones October 2, 2007 (Phoenix, AZ) - Spouses who are qualified to provide basic health care services to their husband or wife, can be compensated through a new program called, "Spouses as Paid Caregivers." The Arizona Long Term Care System (ALTCS), Arizona's Medicaid program for the elderly and disabled, is adding this care option to its Home and Community Based Services Program to provide financial support to spouses that provide home health care to their husband or wife. It is not uncommon for the spouse to quit their job in order to become a 24 hour caregiver. This service option will also have the benefit of expanding the paid caregiver network so that other ALTCS members can choose to live at home.

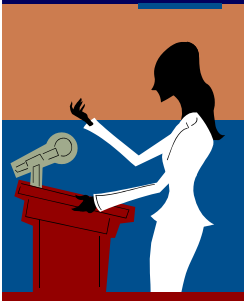
"This will change the lives of many spouses who care for their ill or disabled spouses. As a caregiver for my husband, who was diagnosed with Multiple Sclerosis 36 years ago, I know first hand the value of being able to provide the care that my husband needs," says Bonnie Danowski, a Scottsdale resident who actively supported the initiative for spouses to be paid as caregivers. "As typical of many caregivers, I went from full time to part time work to not working outside of the home. Of the many

caregivers whom I work with, being paid for what they do will allow them to live lives of greater dignity and serenity. Both they and those they care for will stay healthier and happier by keeping families together."

FAQ - My spouse is a member of the Arizona Long Term Care System (ALTCS), so how do I find out more about becoming a paid caregiver?

If you or your spouse is a member of ALTCS—the Arizona Long Term Care System—the first step to take is this: the member contacts his or her case manager through the program contractor. The case manager can then assist the member in deciding if this option is best for the family's situation.

Source: www.ahcccs.state.az.us



If you are interested in attending one of these events, please call us for directions.

If you are interested in having Carol speak to your group, please call 480/464.4968 to reserve your chosen date.

Upcoming Speaking Engagements

March 2008

Hall Ewing's birthday bash

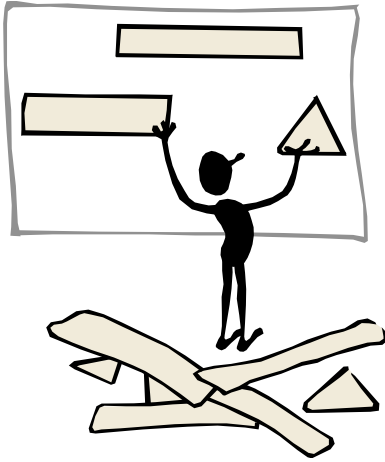
Topic: Long Term Care Planning

If you are interested in having Carol speak to your group, please call 480/464.4968 to reserve your chosen date.

THANKS TO THE FOLLOWING LOCATIONS FOR INVITING US TO SPEAK TO THEIR GROUPS/RESIDENTS

- Medtronic
- Merrill Gardens at Apache Junction
- Citadel Care Center
- St. Joseph's Hospital
- Goodman's Furniture Showroom
- Life Care Center of Sierra Vista
- Grace Bible Church in Sun City
- East Valley Committee on Aging
- Shepherd of the Desert Church
- Farm Bureau Insurance Group

Notification of Upcoming Cost of Living Adjustments



Social Security has announced a 2.3% benefit increase for year 2008. The Medicare Part B premium and other costs will increase, too. The 2008 Medicare Part B premium will increase from \$93.50 to \$96.40.

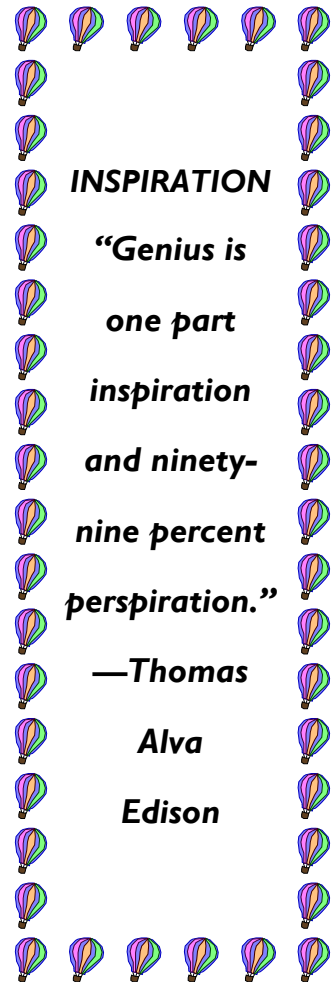
Social Security is not the only organization that increases their pensions effective with the 1st check in January. The US Office of Personnel Management or USOPM or Civil Service also increases their pensions around this time, too. Their monthly premium change takes effect in February of each year, which means Civil Service retirees who are on ALTCS will see two changes to their Room & Board or Share of Cost in early 2008.

Did you know that ALTCS must complete what is known as MASS CHANGE for every client that is on the ALTCS, AHCCCS, and Medicare Cost-Sharing Programs. Mass Change occurs because each year Social Security has a Cost of Living Adjustment added to the member's then paid benefit. Additionally, the ALTCS income limit and personal needs allowances change in January, too.

Railroad Retirees and Veterans will also see their changes effective with the 1st check of the new year.

Most of these change letters are received by mid-December. For those of you who are on ALTCS or AHCCCS or one of the Medicare Cost-Sharing programs, **it is vitally important that you submit your letters to your eligibility specialist.** This will prevent them from having to wait for verification direct from the source. All of the State Medicaid agencies will be asking for these documents from their clients and from the source so we can help our State agency by doing our part and reporting these changes timely.

PS: If you are a Montgomery & Associates, Inc. client, please send your letters to us so that we can correctly calculate your Share of Cost and Room & Board payments before we send the notices to ALTCS. We do this to ensure they do their job accurately.



INSPIRATION

“Genius is one part inspiration and ninety-nine percent perspiration.”

—Thomas

Alva

Edison

Employee Achievements



We are so proud to announce that Summer Schmidt is celebrating her 5th work anniversary with Montgomery & Associates, Inc. on November 21, 2007.

Summer started at the firm as an Administrative Assistant and has taken on the challenge of becoming a Technical Assistant at the firm. Her job includes assisting the retained clients with the spend down, qualification, and application

processes for ALTCS, AHCCCS, Medicare Cost-Sharing, and Veterans Benefits. Summer handles questions posed by the public in a very professional manner and is a dedicated, energetic employee.

Not only is Summer a dedicated, loyal employee, she is also the mother of four beautiful children and one of the Girl Scout troop leaders for Troop 931 in Mesa.

CONGRATULATIONS, SUMMER!



YEAR 2008 ALTCS/MCS GUIDELINES

^UPDATED 11/18/07

Individual Standards

- ^\$**1911.00**—ALTCS Monthly Income Limit
- \$**2000.00**—Resource Limit
- \$**851.00**—QMB Income Limit
- \$**851.01**—\$**1021.00**—SLMB Income Limit
- \$**1021.01**—\$**1149.00**—QI-1 Income Limit

Community Spouse Standards

- ^\$**3822.00**—ALTCS Monthly Income Limit*
- ^\$**22880.00**—Initial Resource Limit
- ^\$**20880.00**—Minimum Resource Allowance
- ^\$**104400.00**—Maximum Resource Allowance
- \$**1712.00**—Monthly Spousal Need
- \$**514.00**—30% deduction from excess shelter expenses
- \$**314.00**—Standard Utility Allowance
- ^\$**2610.00**—Maximum Minimum Maintenance Needs Allowance
- ^\$**1141.00**—QMB Income Limit for couples
- ^\$**1141.01**—\$**1369.00**—SLMB Income Limit for couples
- ^\$**1369.01**—\$**1541.00**—QI-1 Income Limit for couples

Other Standards

- \$**95.55**—Personal Needs Allowance
- \$**1911.00**—HCBS Personal Needs Allowance
- \$**210.00**—Home Maintenance Allowance
- \$**96.40**—Standard monthly Medicare Premium





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



TAKE A LOOK—WE HAVE A NEW SERVICE!

What would you do with your mortgage payment if you no longer had one? Retire? Go on vacation? Save for retirement? Give us a call today to find out how you may be able to shave 10-20 years off your remaining mortgage balance.
480/464.4968

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 Veterans Administration programs that help pay for long term care, preparation of certain types of legal documents, and financial planning. We want you to know that you can count on us to be a valuable resource for these services.



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Take a look at this month's newsletter!

Please deliver to:
