

# THE BOND LAW FIRM

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SERVING HOUSTON SINCE 1996

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## Satellite locations (by appointment only)

**Katy:** 2717 Commercial Center Blvd. Suite 200

**Sugarland:** 3 Sugar Creek Center, Suite 100

**Pearland:** 11200 Broadway Street, Suite 2743

**The Woodlands:** 250 Ed English Blvd, Building 3, Ste. A

## What should you expect with your Medicaid initial appointment with The Bond Law Firm?

Prior to the meeting, we will send you a questionnaire. It is very important that you bring that with you to your meeting so we can have all the information we will need to properly advise you.

The initial meeting may last several hours, designed to meet seven specific objectives:

- Identify the client and family's long term goals
- Review legal and financial information
- Create a preliminary eligibility plan
- Share the Medicaid policy rules
- Illustrate how regulations and policies work
- Provide a timeline for eligibility
- Quote a flat fee for services

If you engage the Law Firm for services we will set up a follow up due-diligence meeting and set a date to execute any legal documents needed.

# THE BOND LAW FIRM

ELDER LAW SERVICES

## MEDICAID 2018

Long-term care expenses represent a significant financial risk for the elderly (50% over 75 years of age face this risk). Most residents face an average stay of two years. Long-term care is extremely expensive! In Houston the average rate for a semi-private room was over \$63,000.00 per year in 2017 (this does not include ancillary supplies and prescription drugs). A average two year stay (including 4-5% inflation) will cost approximately \$130,000.00 plus. Few have this available in their savings.

Spouses cannot afford to support themselves and pay the nursing home for their husband or wife. Luckily, the Medicaid law recognizes this, and there are numerous spousal impoverishment provisions that many are not aware of. Spouses cannot afford to go without help.

### What are the options?

- Medicare coverage is **limited** to rehabilitation.
- The VA could provide some financial help, but rarely enough to cover the cost of long-term care.
- **Limited** resources prevent private pay for very long.
- Families can only help so much, providing care or funding is a drain on their own families.
- **Only 10%** have long-term Care insurance.

**Qualify for Medicaid.** However, eligibility is far more complicated than what most anticipate. There is no public education system that provides advice on how to qualify at the earliest time possible with the maximum savings of assets.

**The Bond Law Firm CAN HELP. Call (281) 448-4100**

# Budget Numbers *for* 2018

## Eligibility Criteria for a “Single” Applicant:

- Must be a **US** citizen or a lawfully admitted Alien.
- Must be a **Texas** resident.
- Must meet a **Medical Necessity** assessment.
- Must be in a nursing home (that offers a Medicaid bed) for **30 days**.
- Must have income less than **\$2,250.00**.
- Must have Countable Resources Less than **\$2,000.00**.
- Must be free of all Post-DRA penalties for uncompensated transfers (Penalty Divisor is **\$172.65**).

## Eligibility Criteria for a “Couple” both filing (all criteria is the same except):

- Must have combined income less than **\$4,500.00**.
- Must have Countable Resources Less than **\$3,000.00**.

## Spousal Impoverishment:

- The applicant must divert all or enough of his or her monthly income to their non-institutional spouse, so the non-institutional spouse has gross monthly income of **\$3,090.00**
- The Community Spouse is allowed to retain 50% of the couples combined Countable Resources with a minimum of **\$24,720.00** maximum of **\$123,600.00**. In some cases, more resources are allowed.

## Exempt Assets:

- Homestead less than **\$572,000.00**.
- Personal Property.
- Automobile (**unlimited value**). A 2nd auto if the spouse works.
- Irrevocable pre-paid funeral contracts.
- Burial plots.
- **\$2,000.00** in Countable Resources for a single.

# FREQUENTLY ASKED QUESTIONS

## 1. **What is a Miller Trust or QIT?**

A Miller Trust is a legal device used to forgive a Medicaid applicant for being over the Monthly Income Cap of \$2,205.00.

## 2. **Will the State of Texas take my house?**

Absolutely! The Medicaid Estate Recovery Program will lay a claim to mom or dad's assets if they do not plan accordingly.

## 3. **Can my parents just give me their house?**

Yes, but by doing so it will cause transfer penalties and could prevent your loved one from receiving Medicaid benefits.

## 4. **What is a Lady Bird Deed?**

It is a property deed that reserves a life estate for the grantor while conveying a future contingent remainder interest that is revocable. This deed is used to protect the applicant's home from recovery.

## 5. **Does mom or dad need to sell their home?**

No, the home is exempt from spend-down if there is an intent to return home. Seek legal counsel about Medicaid Estate Recovery.

## 6. **How much income does Medicaid want the Community Spouse to have?**

Minimum of \$3,090.00, however there is no maximum limit.

## 7. **Should I file for Veteran's Aid and Attendance?**

You can, but it could take 6-12 months before you hear back regarding eligibility. However, Medicaid can be awarded in 45-75 days and will cover more expenses than Aid and Attendance.

## 8. **Will Medicaid pay past due medical bills?**

If the person was eligible 3-months prior to filing the application, Medicaid can pay for past due medical including hospital bills.

## 9. **What if my mom or dad have lots of consumer debt?**

All of the applicant's assets are thoroughly analyzed to determine the best course of action with regard to debt, monthly expenses, and preexisting financial obligations.

## 10. **When should we consult with an Elder Law Attorney?**

When it becomes obvious that long-term care will be needed now or in the future. Note, get a Durable Power of Attorney executed before loss of capacity and make sure it has trust creation authority and gifting powers.