

NEW TRUSTS ALLOW SENIORS TO REMAIN AT HOME

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We now have a new planning technique to help those who require Medicaid to remain at home and out of a nursing home. In the past most of our clients were unwilling to apply for Medicaid home care not because they were ineligible for the services but because they were unable to finance the cost of maintaining their homes while at the same time complying with Medicaid's stringent income restrictions. Current law requires that those who receive Medicaid benefits at home can keep only \$687 per month of their income. Those who have excess income are required to contribute that excess toward their medical care. As we know, in the metropolitan area it is very difficult to maintain a household on \$687 per month. As a consequence, many of our clients who were medically able to remain at home were unable to do so on the \$687 in income they were allowed to retain. This meant that clients were unable to remain at home and instead were required to enter a nursing home in order to access Medicaid benefits to pay for their care.

A recent fair hearing decision now makes it possible for Medicaid recipients to transfer their excess income each month into a "pooled income trust" and authorize the trust to use the contributed excess income to pay for their everyday living expenses. These pooled income trusts are created by a nonprofit organization. The Medicaid recipient deposits her excess income each month to the trust and then submits invoices to the trustee to pay from the trust ordinary living expenses such as rent, heat, electricity, telephone, cable, food or clothing costs. The trust will then make payments directly to providers of services or merchandise. Of course the trust will only make payments up to the amount contributed to the pooled income trust each month. The organization is paid a fee to manage the trust. As no transfer penalties are imposed on those who receive Medicaid home care there are no penalty periods imputed for the transfer of excess income each month.

If you or a family member requires Medicaid services at home and you believe that a pooled income trust would allow you to remain at home, seek the advise of an elder law attorney. You can discuss the specifics of your situation and determine whether this planning technique will work for you.