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PAYING FOR LONG TERM CARE

DISCLAIMER

Please note, this is an overview – not a complete statement of the law and is not to be considered legal advice

WHAT IS LONG TERM CARE?

- Medical & non-medical care provided to someone who requires assistance to perform the daily activities needed to function independently (“Activities of Daily Living” or “ADLs”).
 1. Bathing
 2. Dressing
 3. Eating
 4. Toileting
 5. Managing bowel and bladder function
 6. Transferring
- Provided indefinitely without the expectation that the patient will recover.

Most long-term care non-medical services are *not covered by Medicare.*

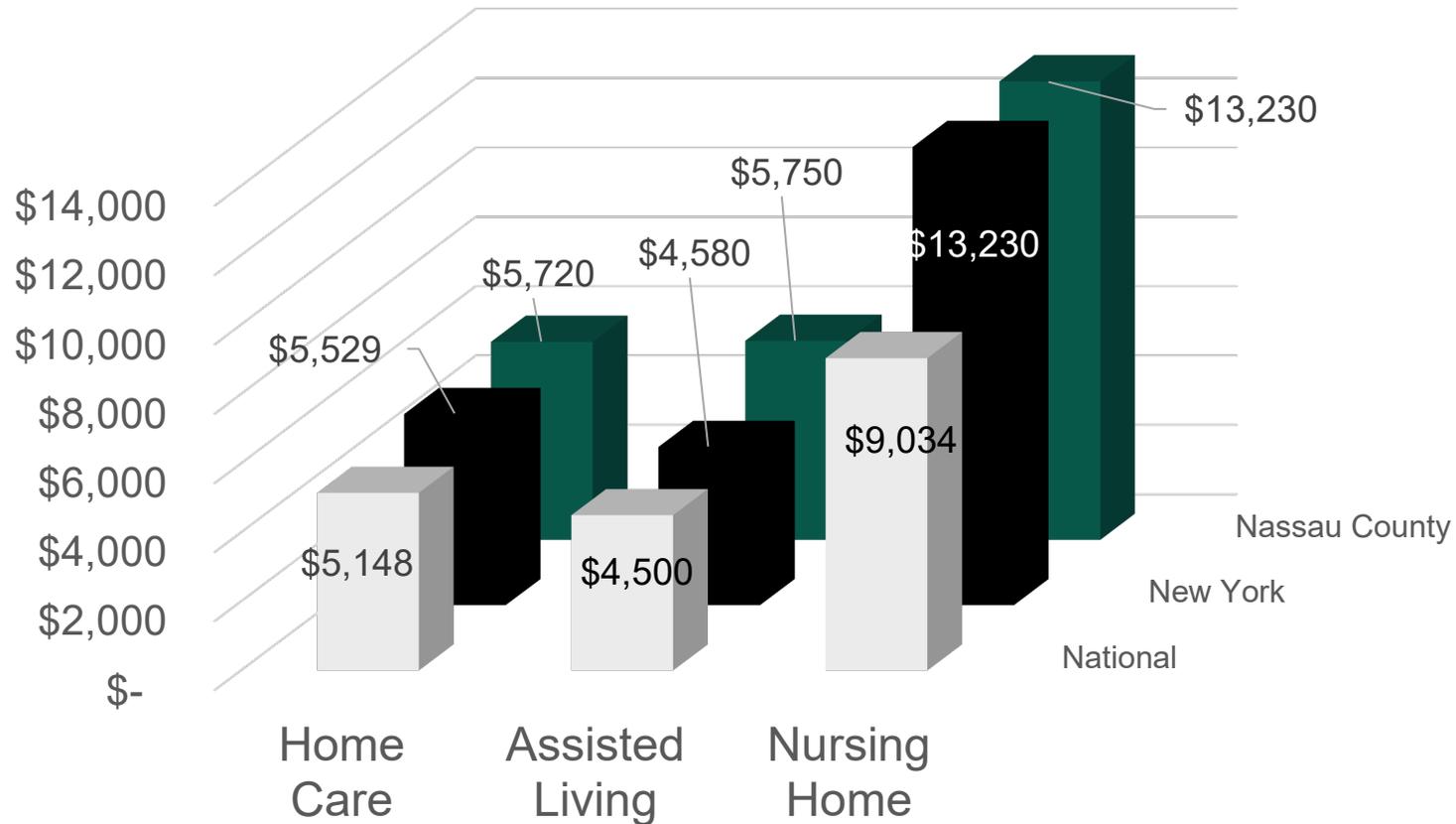


WHO NEEDS LONG TERM CARE?



- Someone turning age 65 today has an almost 70% chance of needing some type of long-term care services and supports in their remaining years.
- Average use - 3 years
 - Women - 3.7 years
 - Men - 2.2 years
- 1 in 3 seniors die with Alzheimer's or another form of dementia

Monthly Average Cost of Long Term Care



Source: Genworth.com Paying for Care 2021

Survey; <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>

PAYING FOR LONG TERM CARE – 4 OPTIONS



1. Private Pay (13.5%*)
2. Long Term Care Insurance (7.8%*)
3. Medicaid (42%*)
4. Veterans Benefits

* Percent of national total long-term care paid from this source in 2020, excluding COVID relief assistance.



PRIVATE PAY



LONG TERM CARE INSURANCE

Often prohibitively expensive

Life insurance with LTC rider

- Inflation protection

Pay close attention to

- Triggering ADLs
- Coverage limits
- Elimination period
- Inflation rider

MEDICAID – LONG TERM CARE SERVICES

Eligibility

- **Income** - \$1,677
- **Resources** - \$30,180 (many big items excluded in NY - retirement, home)

Note: Planning tools available to manage income and protect assets

Look back

- **Nursing Home Care** - 5 years
- **Home Care Services** – 30 month look back, implementation delayed at least until March 2024

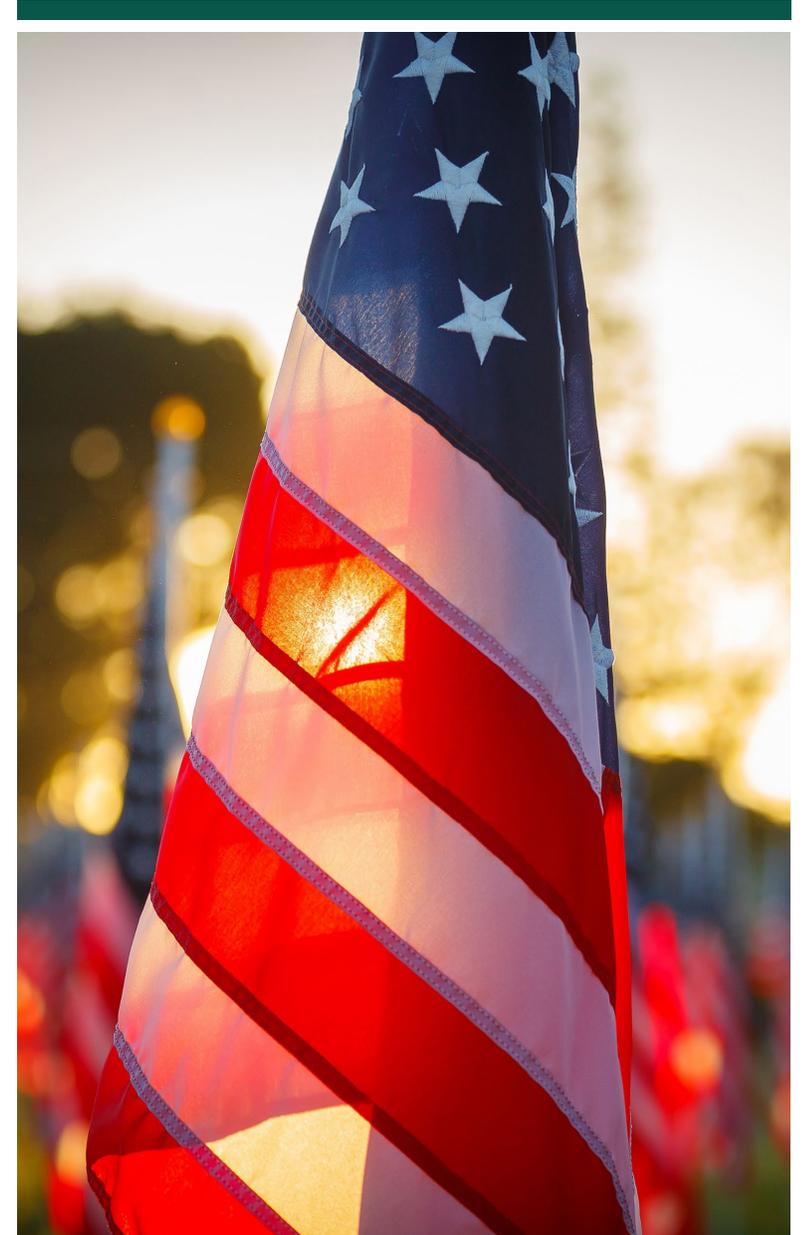
Estate Recovery



VETERANS' PENSION BENEFITS

- Service Requirement - minimum number of days with at least 1 day during qualifying wartime
- Net Worth Limit - \$150,538 (note exclusions including primary residence), 3-year lookback with penalty uncompensated transfers

Note: Surviving spouse (and disabled child) may be entitled to benefits as well.



HEALTH CARE PROXY



Appoints someone to make a health care decision if you are unable to make a decision for yourself

Can be revoked at any time (with capacity)

Only one agent to be appointed at a time

Discuss wishes with named agent

LIVING WILL



Conveys wishes regarding artificial life sustaining treatment and end of life decisions

Can be revoked at any time (with capacity)

HIPAA AUTHORIZATION

Authorizes medical facilities & providers to release protected medical information to specific people

Can be revoked at any time (with capacity)



POWER OF ATTORNEY

Delegates legal authority to an agent to handle all financial decisions & all transactions not health care related

Ex: banking transactions, buy/sell real estate, manage property, invest money, make legal claims, handle tax matters, handle retirement matters

Immediately effective once executed

Can be revoked at any time (with capacity)



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*Estate Planning
for the
Sandwich Generation*

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