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Washington State Medicaid in fewer than 400 words. August 2010

Medicaid is a health care program ran “cooperatively” by both the State and Federal governments. As such, the extremely complex rules vary from state to state.

Medicaid is designed to provide health care to individuals (including seniors) who are financially destitute and in need of nursing home care. This is not to be confused with Medicare, which will not provide more than 100 days of nursing home care. It is important to remember that Medicaid will essentially pay for only your food, shelter, clothing and the lowest level of professional care possible. Because Medicaid does not pay market rates to nursing homes, many of the nicer nursing homes will not accept Medicaid patients.

For Single Individuals (not married)

Medicaid will not start paying for Long-Term Care expenses until your assets are under \$2,000. The only assets not counted are irrevocable funeral arrangements and a few trusts that meet very restrictive requirements.

Married Couples

The community spouse (the one not needing long term care) can have a home with not more than \$500,000 of equity, a car, personal effects, a small life insurance policy, irrevocable funeral arrangements and up to \$109,500 of assets.

There are a handful of techniques that can protect significant sums of additional assets for the benefit of the community spouse. HOWEVER these strategies are complex and must be implemented with exactness. In order to protect taxpayers, the state is very diligent when it comes to ineligible asset transfers (i.e. cheating the system). Your benefits will be delayed one day for every \$217 of ineligible transfers during the prior 60-months. The penalty period starts AFTER you have spent down all of your assets. Ineligible transfers include gifts to family or charity, assets sold for less than their fair market value and money transferred into trusts.

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If you or a loved one is approaching a long-term care situation, I strongly recommend you meet with a qualified financial planner like me, and as necessary, an elder law attorney to insure the best care possible for your loved one.

Everyone else: be sure to have a plan (this does not necessarily mean purchasing long term care insurance) for the possibility of long term care in your own future. Having a plan is your only chance of maintaining dignity and independence in retirement.

October 21st at 6:30pm and again on the 23rd at 9am I will be hosting a workshop on Medicaid and Long Term Care planning. In this workshop I will be covering Medicaid in more detail and discussing several long term care scenarios.

This post should not be viewed as legal advice.