IRA M. LEFF
AND ASSOCIATES

ATTORNEYS AT LAW

1800 CENTURY PLACE, N.E.
SUITE 100
ATLANTA, GEORGIA 30345

WWW.IRALEFF.COM

IRALEFF@BELLSOUTH.NET

IRA M. LEFF

DIRECT DIAL: (404) 633-1801
FACSIMILE: (404) 634-4300

January 5, 2009

ELDER LAW MINUTE

Charlie is a 70 year old widower with $100,000 in the bank. He would like to protect his assets in the event that he needs long-term care, but he does not want to part with his nest egg.

Charlie could apply for a Long-Term Care (LTC) Insurance Partnership Plan. Charlie does not need to purchase a policy that will pay benefits no matter how long he should need care. Under the new Partnership rules, Charlie could apply for a policy with a total benefit of $100,000 as adjusted for inflation. Perhaps he will elect $4,000 per month for 25 months. By so doing, he will increase his Medicaid resource limit to over $102,000. After the policy stops covering Charlie, he should be eligible for Medicaid assistance without ever divesting himself of his $100,000 of security. And upon his death, his estate should be exempt from Estate Recovery since the amount of the insurance proceeds is subtracted from his estate.

The cost of his LTC insurance coverage will be far more affordable to Charlie because it is limited in duration. The LTC Partnership program allows middle class people who previously could not afford a decent LTC policy, to purchase a modest policy and protect all of their assets.

The advantage of this type of planning is that it is effective as soon as the LTC insurance application is approved by the insurance company, whereas with traditional Medicaid planning, it may not be effective for 60 months following a transfer.

It is my understanding that the Georgia Insurance Department has not yet begun to certify LTC Partnership Plans. When they become available, Cindy Mott (800) 416-0057, will be happy to help you or your client find a suitable plan.