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On November 1, 2008, Georgia added Section 2348 to the Medicaid Manual which pertains to Long-Term Care Insurance Partnership plans. The essence of this new concept is that Georgian's who plan ahead for their future long-term care needs will be rewarded with more lenient Medicaid rules.

If a person purchases a *Partnership Policy*, for every dollar the policy pays out in benefits, the insured's Medicaid resource limit is increased by one dollar. The protected assets are also exempt from Estate Recovery.

In order for a Long-Term Care Insurance Policy (LTCI) to qualify as a Partnership plan, it must: (1) be issued on or after January 1, 2007; (2) cover an insured who was a Georgia resident at the time of issuance; (3) qualify under Internal Revenue Code § 7702B(b) as long-term care insurance; and (4) provide compound inflation protection if the insured was under 61 at the time of issuance, or any kind of inflation protection if the insured was 61-76 at the time of issuance.

Example: Harry and Sally are 67 and 65 years old. In 2007, Harry purchased a LTCI policy which meets all of the criteria for the Partnership program. The policy pays \$150 per day plus 5 percent per year simple inflation protection for 36 months should Harry need long-term care at home, in assisted living or a nursing home. On June 1, 2008, Harry had a stroke and is now a resident of ABC nursing home. The LTCI is paying \$157.50 per day and will continue to do so for 30 more months. Harry will not apply for Medicaid until 2011 since his income including the LTCI benefit is ample to cover his expenses. When he does apply, his resource limit will not be \$111,560 (adjusted for inflation), but rather the normal spousal impoverishment resource limit plus \$172,462.50. And when Harry dies, \$172,462.50 of assets will be disregarded in determining the Estate Recovery claim.

As you can see from this example, Georgia Medicaid does not have to cover Harry for the first three years of his nursing home stay. In exchange for that benefit, Harry and Sally are permitted to retain significantly more assets than the normal Medicaid recipient.

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