

LTSS: GETTING OUR CLIENTS ON TENNCARE

HOW TO QUALIFY
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WHAT TO CONSIDER

- Rules Based Program
- How assets are treated
- Age, marriage/single, income, timing, etc...
- How government benefit programs work together

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HOW TO APPLY & FORMS

- FAX: 1-855-315-0669
- Tenn Care Connect (<https://www.tn.gov/tenncare/members-applicants/how-do-i-apply-for-tenncare.html>) – How do I apply for TennCare)
 - Create account
 - Apply
 - Check Status/review case letters
 - Report Changes
 - Etc
- LTSS Release and HIPPA forms
- Firm forms (optional)
- Resource Assessment
- Overview

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STANDARD VERIFICATIONS

- | | |
|---|---|
| <ul style="list-style-type: none"> • ID: <ul style="list-style-type: none"> • Social Security Card(s) • Medicare Card(s) • Birth Certificate(s) • Marriage License • Income <ul style="list-style-type: none"> • Gross and net values • QIT necessary? (\$2,349.00) | <ul style="list-style-type: none"> • Assets: <ul style="list-style-type: none"> • Real property deeds • Financial Statements • Life insurance face and cash value • Pre-need funerals and burial plots • Insurances: <ul style="list-style-type: none"> • Supplemental Ins. and Part D cards • Supplemental Ins. And Part D premiums verifications • Monthly bills: <ul style="list-style-type: none"> • Mortgage • Property Tax • Water Bills • Gas Bill • Phone Bill • Trash Bill • Etc... |
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CASE STUDY I - MARK

- Mark is a 74 year old man who lives alone because his wife passed away three years ago. Mark has four children, and each of his children take one week a month to check on their dad and make sure he has everything he needs. Mark worked various jobs through his life, and he was able to save a modest amount of money. However, Mark has never done any estate planning.
- Mark recently had a fall at his house which resulted in a broken leg and a concussion. When Mark got to the hospital, the doctors determined Mark fell when he had a stroke. Because of the severity of the leg injury, surgery that was required, and the probable effects of the stroke, Mark's doctors suggested that he receive rehabilitation care in a nursing home.
- At the time of his accident, Mark was renting an apartment, but he had saved around \$100,000.00 which was held in a checking account, and he also had a 2018 Nissan Maxima. Finally, Mark receives \$1,500.00 per month in social security income.

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IMPORTANT FACTS

- Mark is single
- Mark has no estate planning documents
- Mark is not a veteran
- Mark's monthly income is \$1,500.00
- Mark has one exempt asset (2018 Nissan Maxima)
- Mark has \$100,000.00 in countable assets

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STEPS

- File CHOICES application and CHOICES paperwork
 - Not right away – because of possible options
- Options?
- Request a PAE (Pre-Admission Evaluation)
- 45 day time limit
- Post Approval:
 - Approval date correct?
 - Monthly liability amount correct?

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MARK'S NEEDS & OPTIONS

- Mark needs estate planning documents
 - consider remote notarization
 - Financial POA very important
- Options
 1. private pay until Mark goes home or until his countable assets = \$2,000.00 or less
 2. Transfer assets to children not hold (start penalty period)
 - <https://www.tn.gov/content/dam/tn/tenncare/documents/TransferOfAssetsAndPenaltyPeriods.pdf>
 3. partial gift / annuity
 - Pooled Trusts in question
 - What does this look like & consideration
 - Mark's total income: \$1,500.00
 - Nursing home cost
 - Medicaid annuity requirements
 - <https://www.tn.gov/content/dam/tn/tenncare/documents/TransferOfAssetsAndPenaltyPeriods.pdf>
 - <https://www.tn.gov/content/dam/tn/tenncare/documents/ABDCountableAndExcludedResources.pdf>

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PARTIAL GIFT / ANNUITY

- Mark's monthly income = \$1,500.00
- Nursing Facility Cost = \$7,000.00
- Misc. needs (meds, etc...): \$500.00
- Total gift = \$46,000.00
- Total penalty = 8.5 months
- Total shortfall over penalty period = \$51,000.00
- Monthly shortfall = \$6,000.00
- Total annuity: \$52,500.00
- Total assets = \$100,000.00 assets
- Medicaid penalty divisor = \$5,472.00

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CASE STUDY II – MATT AND ADDI

- Matt (75) and Addi (74) have been married fifty-five year. They have two children, one boy and one girl. Matt and Addi have financial and health care powers of attorney that name each other first and then their children to make decisions for them. For most of their married lives, Matt stayed at home with the kids, because Addi had a very good profession as a CPA. Both Matt and Addi retired when he was sixty-six and she was sixty-five, and they have traveled as much as possible, spending some of their savings for that purpose.
- Two years ago, Matt was diagnosed with Lewy Body Dementia. Unfortunately, Matt's condition has progressed and now Addi needs help taking care of him in the home. Addi has always promised Matt that she would never put him in a nursing home.
- Matt and Addi did have the home they own paid off, but they took out a home equity line of credit a few years ago to do an addition, and they now owe \$80,000.00 on the home equity line. They have around \$70,000.00 in their bank accounts, and Addi has an IRA with around \$40,000.00. Finally, they have one car, 1970 Ford Bronco, they they still use as their daily driver.
- Matt draws social security of \$650.00 a month and Addi draws a social security of \$1,500.00 per month and a pension of \$900.00 a month.

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IMPORTANT FACTS

- Matt and Addi are married
- Matt and Addi are both over the age of 65
- Are either Matt or Addi veterans?
- Matt and Addi have POA's
- Matt's monthly income is \$650.00 a month
- Addie's monthly income is \$2,400.00 a month
 - What happens if Addi dies first?
- Their homestead and Ford Bronco are exempt assets
- Their countable assets are: \$110,000.00 (bank accounts and Addi's IRA)

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STEPS

- Request a PAE (Pre-Admission Evaluation) through the Area Agency on Aging and Disability
- File CHOICES application and CHOICES paperwork
- Complete a Resource Assessment
- Options?
- 45 day time limit
- Post Approval:
 - Approval date correct?
 - Monthly liability amount correct?

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MATT AND ADDI'S NEEDS & OPTIONS

- Make certain that POA's do what you need them to
- Addi's death may create a QIT situation for Matt

- Options:
 - total countable assets = \$110,000.00
 - Medicaid maximum = \$ 128,640.00
 - Medicaid minimum = \$25,738.00

 - CSRA = \$55,000.00 - MRA = \$2,000.00 – "At Risk" \$53,000.00

 - \$54,000.00 from bank accounts to pay toward the \$80,000.00 home equity line of credit should qualify them financially.

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CASE STUDY III – HUNTER & KAREN

- Hunter (85) and Karen (82) met in college and have been in love ever since. They were married in Karen's final year of college. Hunter became a financial planner and Karen became a doctor. Hunter and Karen had three children: Sam, Angel, and Janice. Hunter and Karen have financial and health care powers of attorney that name each other and then two of their children: Sam and Angel. Janice was injured as a teenager and now draws SSDI benefits.
- Hunter and Karen had been taking care of Janice until Hunter was diagnosed with Alzheimer's in 2019. Karen became unable to manage both Hunter and Janice's needs. Hunter moved to a nursing home in early 2020.
- Hunter and Karen own the home they live in and they have three vehicles: 2019 Land Rover Discovery Sport, 2016 Lexus LS, and Hunter's father's 1962 Corvette. Hunter and Karen have around \$250,000.00 in cash assets (bank accounts, investment accounts, etc....), Hunter has an IRA worth \$200,000.00, and Karen has an IRA worth \$500,000.00.
- Hunter's monthly income is \$2,800.00 a month from social security. Karen's monthly income is \$4,200.00 a month from social security and she has a pension that pays her \$2,000.00 a month.

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IMPORTANT FACTS

- Hunter and Karen are married
- Hunter and Karen are both over the age of 65
- Neither Hunter or Karen are veterans
- Hunter and Karen have POA's
- Hunter and Karen's daughter, Janice, is approved for SSDI
- Hunter's monthly income = \$2,800.00 per month
- Karen's monthly income = \$6,200.00 per month
- Hunter and Karen's homestead and one vehicle are exempt
- Hunter and Karen's countable assets are well over \$500,000.00
 - \$ 128,640.00 is what they will be allowed to keep

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STEPS

- File CHOICES application and CHOICES paperwork
 - Not right away – because of possible options
- Complete a resource assessment
- Options?
- Request a PAE (Pre-Admission Evaluation)
- 45 day time limit
- Post Approval:
 - Approval date correct?
 - Monthly liability amount correct?

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HUNTER AND KAREN'S NEEDS & OPTIONS

- Make certain that POA's do what you need them to
 - We know that Hunter needs a QIT no matter what
- Complete a resource assessment
- Options:
 1. Private pay until assets = \$around \$128,000.00
 2. Transfer assets to/for benefit of Janice (disabled child)
 - <https://www.tn.gov/content/dam/tn/tenncare/documents/TransferOfAssetsAndPenaltyPeriods.pdf>
 3. Setup Single Premium Medicaid Compliant Annuities for Karen
 - <https://www.tn.gov/content/dam/tn/tenncare/documents/TransferOfAssetsAndPenaltyPeriods.pdf>
 - <https://www.tn.gov/content/dam/tn/tenncare/documents/ABDCountableAndExcludedResources.pdf>
 - Hughes v. McCarthy, 734 F.3d 473 (2013)

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GIFT TO DISABLED CHILD OPTION

- TennCare allows gifts to disabled children
- Here, big difference between SSDI and SSI
 - Not means tested
- Aged, Blind and Disabled Manual 125.010 (g)(iii) and 125.010(g)(v)(3)
 - Transfers of assets made under the following circumstances are not considered as transfers of assets for less than FMV:
 - The asset was transferred to, or to a trust for the sole benefit of, the individual's minor or adult child who is blind or disabled according to 42 USC 1382c

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SINGLE PREMIUM IMMEDIATE ANNUITY OPTION

- Karen's income far is to high to have any of Hunter's income deemed to her.
- Karen is able to have as much income as she wants
- Surrender Hunter's IRA
 - Put money from surrender IRA and cash already on hand in account in Karen's name and purchase SPIA #1
- 1035 exchange Kare's IRA to purchase SPIA #2
- Resource Assessment and Overview

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QUESTIONS

Thank you

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