

MOORHEAD

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MEDICAID
NURSING HOME PLANNING
and
SPECIAL NEEDS TRUSTS

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Dear Reader,

We have spent our entire careers helping people with their estates. Perhaps the greatest challenge they face is going into a nursing home. They thought that day would never come for them. But it did. They thought that Medicare would pay for it. But it didn't. When they realize that they will have to pay the \$6,000 or more monthly charges for the rest of their lives, they panic. That is where we come in.

The Georgia Medicaid laws permit people to qualify for Medicaid nursing home benefits with substantial estates. Moreover, it is possible for them to pass a majority of their estates to their children free of nursing home debt. Such results can only be achieved with careful planning.

Our law firm offers Medicaid nursing home and special needs trust planning. This includes the entire life cycle of developing the plan, implementation of the plan, and representing the client before the state. A summary of the services we provide are set forth on the following pages. If you find yourself in need of this important planning, we invite you to give us a call.

William D. Moorhead III
John M. Moorhead
Moorhead Law Firm LLC

MEDICAID PLANNING SERVICES

MEDICAID PLANS

PRE-NEED ESTATE PLAN

We routinely ask our clients about their health and longterm needs when they come in for wills and other routine estate planning. In appropriate situations, we advise clients to take steps that will address these issues, including:

- Purchase of longterm care insurance to provide a private source of funding for their health care needs.
- Will or trust provisions that will enable the beneficiary to keep his or her inheritance while qualifying for Medicaid and other needs based programs.
- Powers of attorney that permit the agent to take the steps necessary to qualify the principal for Medicaid and other benefits.

NURSING HOME BENEFITS

When the need for nursing home service is in sight, we help our clients qualify for Medicaid benefits to pay for them. Basic qualification permits the client to receive Medicaid nursing home benefits subject to repayment of such benefits from the client's estate at death (commonly called "estate recovery"). Advanced qualification involves transfer of assets to the client's family under complex Medicaid rules that generally permit the family to keep a majority of the client's estate free from nursing home expenses. In undertaking Medicaid nursing home planning, we tell our clients:

- It is never too late to plan. Even if the client is already in a nursing home on a private pay status, there are planning techniques that permit Medicaid qualification and protection of his estate.
- Mental incapacity is no barrier to Medicaid planning. The

client's agent under a power of attorney can often take the steps necessary to qualify. If that is not an option, we can establish a guardianship/conservatorship to obtain court approval of a Medicaid plan.

IMPLEMENTATION OF THE MEDICAID PLAN

TRANSFER OF RESOURCES

Nearly all Medicaid plans involve some transfer of resources. This includes converting Medicaid countable resources, such as cash, into noncountable resources, such as a home or vehicle, and gifts to family members. The goal of such transfers is to leave the client with countable resources within the Medicaid limit. We carefully advise our clients on how to make such transfers in accordance with Medicaid rules and prepare appropriate transfer documents for them.

MEDICAID APPLICATION

The test of the Medicaid plan is the approval or denial of the application. We prepare Medicaid applications for our clients and work with them to attach the many supporting documents required to verify asset values and transfers.

QUALIFIED INCOME TRUSTS

When a client has too much income to qualify for Medicaid, eligibility can only be established by transferring income into a Medicaid approved Qualified Income Trust. We prepare such trusts and assist our clients in meeting the demanding requirements for opening an account and managing trust operations.

REPRESENTATION WITH DFCS

The Medicaid program in Georgia is administered by the Department of Family and Children Services, better known as DFCS. When questions arise concerning a Medicaid application, we address them directly with DFCS case workers and managers. Our clients are only involved with this process to the extent they want to be.

SPECIAL NEEDS TRUSTS

Families with special needs members know the extra care and attention that their loved one requires. This is especially true when the special needs person receives an inheritance or proceeds from a personal injury case. This extra money will disqualify him from Medicaid and other needs based benefits. We help such clients avoid disqualification by:

- Using the funds to purchase assets that are noncountable for Medicaid purposes.
- Drafting a special needs trust to receive the funds. Such a trust permits the trustee to spend money on the special needs beneficiary for things not covered by government benefits while protecting the balance of trust funds for his heirs at death. Assets in a special needs trust are noncountable for Medicaid purposes. Special needs trusts:
 - Must be approved by the State of Georgia and require very precise language to meet all legal requirements.
 - Usually require court approval, which we handle on behalf of the client.



SERVICES OFFERED

BY MOORHEAD LAW FIRM



IN A NON-DESCRIPT AGE, WE CHOOSE TO BE DESCRIPT.

Moorhead Law Firm primarily focuses upon two fields of law: trusts and estates as well as business law. Within these practice areas, our services run the gamut from the simplest matters (such as simple wills, formation of business entities, and probate of wills) to the most complex (planning of large taxable estates, mergers and acquisitions, and advanced Medicaid planning).

We have established flat fees for routine matters that make them affordable to all. Complex services are performed at hourly rates in line with other law firms in our community.

For more detailed information about our firm, please visit our website at www.moorheadlawfirm.com.

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