



ELDER LAW *Update*

NEWS AND IMPORTANT INFORMATION FOR SENIORS AND THEIR FAMILIES

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RECENT CHANGES TO THE LAW MAKE IT HARDER TO QUALIFY FOR THE VA PENSION PROGRAM

The VA Aid and Attendance Pension Benefit provides eligible veterans with tax-free income. This benefit also extends to surviving spouses of eligible veterans. A married veteran can receive up to \$2,903 per month to help with the cost of long-term care while a surviving spouse can receive up to \$1,176 per month.

Aid and Attendance can be used to pay anyone, including the veteran’s child, for home care. It can also be used to pay for professional care in the home, assisted living, nursing home care, insurance premiums, prescription drugs, co-pays, and more. In essence, Aid and Attendance can help an eligible veteran or widowed spouse live at home for as long as possible while still receiving the care he or she needs and protecting hard-earned assets.

Unfortunately, recent changes to the law have made it more difficult for eligible veterans and their widowed spouses to qualify for this valuable benefit.

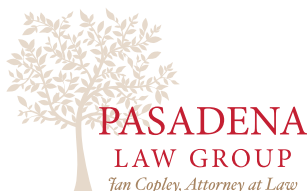
The changes took effect on October 18th. They are extensive, comprising some 136 pages. Significant changes include:

- A three-year look back period
- A maximum disqualification period of five years for those who transfer assets below their fair market value during the three-year look back period. These transfers include the purchase of financial instruments that reduce net worth, such as annuities
- Transfers made before October 18th will not be subject to the new look back period
- Countable net worth will now include all countable assets plus annual gross revenue. This will impact veterans and spouses whose income exceeds their Unreimbursed Medical Expenses (UME)

(CONT.)



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RECENT CHANGES TO THE LAW MAKE IT HARDER TO QUALIFY FOR THE VA PENSION PROGRAM (CONT.)

- The maximum asset allowance has been increased to \$123,600
- The primary residence remains exempt, but if the lot exceeds two acres, anything over two acres will be countable (but only if the land is marketable, as opposed to land that is inaccessible or restrictively zoned)
- The list of what is considered an Activity of Daily Living (ADL) will now include cognitive care

Obtaining Aid and Attendance was difficult enough before the new changes. Minor, seemingly insignificant errors on the application can lead to the denial of benefits. In fact, the majority of applications are initially denied, even in cases where the veteran or widowed spouse is indeed eligible.

Now that the pension is even harder to obtain, it is more important than ever to speak with an elder law attorney accredited by the Veterans Administration.

One final thought: On October 29, 1941, nearly two months after Britain and France declared war on Germany in response to the Nazi invasion of Poland, Winston Churchill delivered one of his most famous speeches. It included the line, “Never give in, never give in, never, never, never, never—in nothing, great or small, large or petty—never give in except to convictions of honor and good sense.”

The Aid and Attendance Pension Benefit can dramatically improve the lives of eligible veterans and their widowed spouses. If you believe you are eligible for the pension, we hope you take Churchill’s advice.

**To learn more about Aid and Attendance, visit:
https://www.benefits.va.gov/pension/aid_attendance_housebound.asp**

NOW IS A GOOD TIME TO MAKE SURE YOUR PLAN IS UP-TO-DATE

Has your financial or medical situation changed since your plan was created? Have any of your children or grandchildren gotten divorced and remarried, or started families of their own? Do your beneficiary designations continue to reflect your wishes? What about the people you have chosen to make financial and medical decisions on your behalf—are they still willing and able to do so? Are all of your trusts properly funded?

Your plan must take all of these issues, and more, into account for it to accomplish your goals.

The fact is, an outdated or improperly designed plan is often worse than having no plan at all.

As 2018 draws to a close, you’ll likely reflect upon what kind of year it has been for you and your family. In doing so, we hope you’ll also take time to review your plan and update it to take into account any changes in your financial, medical and family situation. If you have any questions about your plan, don’t hesitate to reach out to us.



MANAGING A MEDI-CAL CRISIS

In the United States, the median monthly cost of a semi-private room in a nursing home is currently more than \$7,400. The cost of a private room exceeds \$8,350 per month. Depending on where you live, costs can be considerably higher. In addition, costs rise according to the level of care needed and they are expected to increase dramatically in the future. (You can see the current costs for home care, adult day care, assisted living, and nursing home care in your area by visiting <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>.) To make matters worse, nearly 70 percent of us over the age of 65 will require long-term care at some point in our lives and 20 percent of us will need long-term care for five years or more.

All of this helps explain why so many families exhaust their life savings within a few years of a family member entering a nursing home. And why more than half of all nursing home stays are now funded by Medi-Cal.

A Medi-Cal Crisis is a situation where a person has already moved to a nursing home, or must enter one in the very near future, and has been informed that he or she owns too many assets to qualify for assistance from Medi-Cal to pay for it. Given the high cost of nursing home care, this situation is indeed a financial crisis for all but the wealthiest families.

If you or a loved one is facing a Medi-Cal Crisis, try to remain calm. Much of the information we hear about Medi-Cal from friends, relatives, nursing home staff, caregivers, and many others is outdated or incorrect. A qualified elder law attorney can help you obtain assistance from Medi-Cal if you must enter a nursing home next month, next week, or tomorrow. In fact, it is possible to get Medi-Cal assistance even if you are already in a nursing home. And if you have applied for Medi-Cal assistance in the past but you have been rejected, it is entirely possible that a qualified elder law attorney can still obtain the financial assistance you need.

You've worked too hard to lose your life savings to the nursing home. Don't let misinformation or unexpected life changes prevent you from getting the financial assistance you need and deserve.

