

FLORIDA MEDICAID PLANNING - PART 1

“Medicaid planning is a process that many Florida residents go through in anticipation of old age, infirmity, or needing to pay for long-term care. The reality is that most people will, at some point, need to stay in a nursing home, elder care facility, or similar environment as they age.”



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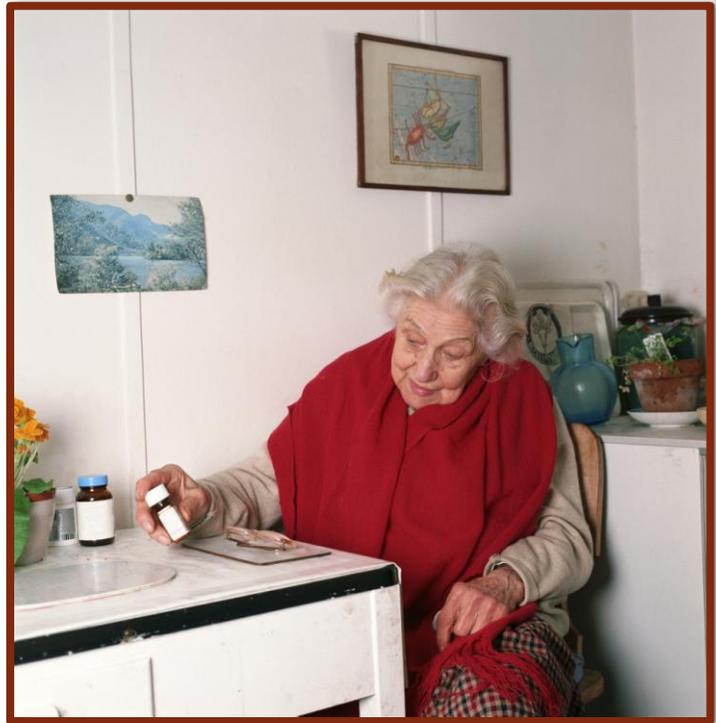
Preparing yourself for the possibility that you might one day need such care, and determining how you might pay for it, lies at the heart of Medicaid planning. So, today, we begin the first of a two-part discussion on Medicaid planning in Florida. As with all other estate planning or legal topics we cover, this discussion is not intended to be legal advice, and nothing you read can ever be a substitute for speaking to your attorney for personalized guidance.

THE LOOMING SPECTER OF LONG-TERM CARE

The statistics behind long-term care often take people by surprise. According to the Department of Health and Human Services, the 10,000 baby boomers who turn 65 every day have a 70 percent chance of requiring long-term care at some point in the future.

Women are slightly more likely to require such care, while 20 percent of all senior citizens will require such care for 5 years or longer.

Nationally, the cost of such care has been increasing every year. Currently, it costs about \$265 per day for a stay in a semi-private room in a nursing home, assisted living facility, or similar facility. That represents about an average cost of between about \$74,800 and \$83,500 per year in a long-term care facility. Such expenses can quickly eat away at a person's life savings, leaving much less as inheritances.



MEDICAID

Medicaid is a state and federally managed insurance program that provides health care coverage to many indigent people, families with children, people with disabilities, and the elderly. Medicaid not only pays for health insurance, but it also pays for long-term care expenses.

Many people incorrectly assume that Medicare will pay for the costs associated with a nursing home or assisted living facility, but that is not the case. While Medicare will cover some limited long-term care costs, the vast majority of people who require long-term care will not be able to use the program to pay for the associated expenses.



MEDICAID QUALIFICATIONS

Medicaid, unlike Medicare, is an asset-based program. This means that not everyone can qualify for Medicaid, even if they already receive Medicare. In order to qualify for Medicaid you have to meet some stringent eligibility criteria. If you cannot meet these criteria, you cannot use the program to pay for long-term care expenses.



For example, anyone who wants to use Medicaid in Florida must meet the asset limit criteria. Currently, a single person can only have no more than \$2,000 in countable assets, while a married couple can have no more than \$3,000 in countable assets. Notice

that not all assets will be counted when determining eligibility. For example, if you and your spouse, or a dependent, currently reside in your home, the value of the home will not be included when determining eligibility.

However, even with the assets excluded from the asset calculation, most people will easily have more than the maximum asset level, and thus will not qualify for Medicaid. We will look more closely at the Florida Medicaid eligibility criteria, as well as the kinds of tools that you can use to qualify for the program, in our next discussion. For now, you need to understand that if you have any kind of significant savings or assets, you are likely unable to qualify for Medicaid, and will have to use your personal assets to pay for long-term care costs should you ever need it.

YOUR FIRST STEP IN MEDICAID PLANNING

Regardless of your age, financial circumstances, or current health, you need to



Speak to your estate planning attorney if you have any questions about Medicaid planning in Florida. A well-crafted Medicaid plan can protect you, your family, and your finances, but only if you craft it carefully.

Further, because of the time frames involved, only people who create a Medicaid plan well in advance can use to pay for long-term care costs, you might not be able to use the program for years to come.

If you'd like more information about Medicaid planning, have

questions, or want to get started on crafting a plan of your own, contact us as soon as possible.

About the Author



Robert J Kulas

Robert is the founder and principal shareholder in the Port St. Lucie and Vero Beach law offices of Robert J. Kulas, P.A. Because he believes that helping his clients manage their personal affairs wisely is one of the most worthwhile professional activities he can pursue, he has devoted his practice exclusively to estate planning.

Robert has invested considerable time and energy helping to educate others in estate planning and is widely regarded as a dynamic speaker who can make even the most complex estate planning issues easy to grasp. He provides free monthly seminars to inform the public on the importance of proper estate planning. Over the past twenty years, thousands of people have come to hear him speak. "Helping people understand their options for estate planning is very important to me," Robert said. "I like to think that people in our community can look to me for the kind of quality information they need to decide what is best for them and their families."

About Robert J. Kulas, P.A. Attorneys at Law

Robert J. Kulas, P.A. Attorneys at Law is a full service estate planning and wealth preservation law firm servicing Port St. Lucie and Vero Beach, Florida.

The firm is dedicated to providing you with quality estate planning resources, so you can become familiar with all of the existing options. When you visit or call the office, we want you to feel comfortable discussing such an important issue concerning both you and your family. We want to arm you with the information you need to make an informed decision about your family's future.



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