Long Term Care Medicaid Not Limited to Low Income

Many people do not learn about the Miller Trust until they have exhausted all of their assets and are applying for Medicaid because they have no way to pay for nursing home care, and they have learned that their monthly income is more than Medicaid allows. However, one doesn't have to wait until all of his resources are exhausted to utilize the Miller Trust, as it is but one part of the cohesive process called Medicaid planning.

When applying for long-term care Medicaid, there are several different tests that the applicant must pass before he or she is considered eligible. These include age, nationality and residence, blindness or disability and medical necessity for 24-hour nursing care. All of an applicant's countable assets (not including monthly income) must not total more than $2,000.

Additionally, a single person or a person with a healthy spouse living at home can have only $2,199 (for 2015) in monthly gross income from all sources. Medicaid increases the limit each year to keep up with cost of living. Income is the receipt of any property or service for which an applicant could apply, such as Social Security benefit, pensions, interest payments, rental income, gifts, or other sources.

If an applicant is one dollar or more over Medicaid's monthly income cap, he or she will be considered ineligible, even if all other eligibility requirements are met. This is when the Qualified Income Trust (QIT), must be created and funded with the applicant's income. Only the applicant's monthly income may be put into the trust, not assets.

When the applicant is not competent to establish a QIT, his spouse or attorney in fact named in his durable financial power of attorney may set up and manage the trust for the applicant.

Once long-term Medicaid benefits are approved, the trust must be properly managed with certain payments made each month, avoiding any mistakes that will jeopardize the applicant's eligibility. For example, a check will be written for the Medicaid recipient's $60 monthly personal needs allowance. If there is a spouse at home, then part of the income may be paid to her. An amount of the Applied Income set by Medicaid must be paid out of the QIT to the nursing facility each month. If the applicant has a supplemental health insurance policy, that too will be paid out of the trust account. All money in the account upon death of a Medicaid recipient is payable to the State of Texas; however, if the trust is used properly the amount remaining in the trust at death should be minimal.

A QIT or Miller Trust must not be confused with any other types of trusts employed in the process of nursing home Medicaid planning. The QIT doesn't solve the test of excess assets, such as an investment or a whole life insurance policy, just monthly income.

When it is time for a loved one to move into a skilled nursing facility, an experienced elder law attorney can determine if they are eligible, and if not, what steps you would need to take to begin the Medicaid planning process. If a QIT is needed for excess monthly income, the elder law attorney can assist in establishing the trust and advise you how to set it up and manage it properly. Eligibility for long-term care Medicaid benefits could prevent your family from spending everything it has on the nursing home.

Contact a Certified Elder Law Attorney to find out how you can preserve assets and income and still qualify your loved one for Medicaid.

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