When Your Spouse is in a Nursing Home

Taking Care of Your Financial Needs

Michigan Medicare/Medicaid Assistant Program (MMAP)

1-800-803-7174

TABLE OF CONTENTS

Myths about Medicaid…

- I can do the same thing my neighbor did and qualify for Medicaid.
- I can give away cash or other assets to my children and grandchildren and qualify for Medicaid immediately.
- I collect Social Security so I automatically get Medicaid.
- Adding my children to my house is not a gift.
- I can "loan" the money to the kids - no one will know if they don't repay it.
- I can only keep $2,000.
- They will take my house.
- I have a trust (or a will) so my assets are protected.
- I am going to protect my assets from Medicaid by buying an annuity.
- They won't find out.

FOR THE FACTS ABOUT NURSING HOME MEDICAID, READ ON…

About This Booklet

The Michigan Medicare/Medicaid Assistance Program ***(MMAP)*** developed this booklet with you in mind. We have taken a difficult topic, Medicaid and paying for nursing home care, and put it into easy to understand language. This booklet will help you understand the Medicaid rules if you or your spouse needs to move to a nursing home. Medicaid helps pay for care costs in Michigan nursing homes that participate in the Medicaid program. The "Nursing Home Compare" feature at the www.medicare.gov website gives a complete listing of all Michigan nursing homes and shows which ones participate in the Medicaid program.

If you do not already have a MMAP counselor, please call the MMAP office at 1-800-803-7174, or visit www.mmapinc.org to find your local office. You will be connected with a trained MMAP counselor in your community who can meet with you and help you with every step outlined in this booklet.

The information in this booklet is current as of January 24, 2020. The Medicaid rules change often. MMAP counselors keep up with changes in this program.

About MMAP

MMAP is a free health-benefits counseling service for Medicare and Medicaid beneficiaries and their families or caregivers. Our mission is to educate, advocate, counsel and empower people to make informed health benefit decisions.

MMAP is an independent program funded by state and federal agencies and is not affiliated with any insurance company. Nationally, this program is called the State Health Insurance Assistance Program (SHIP). Each State has a SHIP program. MMAP is Michigan's SHIP.

A MMAP counselor will help you work with the Michigan Department of Health and Human Services (DHHS) in applying for Medicaid.

A MMAP counselor can answer questions like:

- Will I have to sell my home or family farm?
- Will I have enough income to maintain our home and pay for nursing home care?
- Will the government "take" my house if my spouse goes on Medicaid?

What is the Department of Health and Human Services (DHHS)?

DHHS is the Michigan government agency responsible for approving or denying your application for Medicaid assistance. There is a DHHS office to serve each of Michigan's 83 counties.

To find the DHHS office nearest to you, visit the DHHS website online at www.michigan.gov/mdhhs and click the link in the top margin titled "Inside DHHS", then "County Offices"; or look in the government section of your telephone book under "Department of Health and Human Services".

Will all our assets go to the nursing home?

When my spouse is in a nursing home, what resources will I have?

As you may expect, this "simple" question, does not have a simple answer. You must first give the DHHS a **"snapshot"** of your financial situation. This **exact date (snapshot)** will include assets owned by you, **("the *spouse in the community*"),** as well as assets owned by your spouse **("the *nursing home spouse*")** and any assets owned with third parties, e.g., children, grandchildren, siblings, etc. You will provide this snapshot of your assets by completing an ***Assets Declaration*** **Form.** This form, also called a DHS-4574-B, is available online at **www.michigan.gov/mdhhs.** Under the top menu tab "Doing Business with DHHS", choose "Forms and Applications", then look under "Applications".

The Assets Declaration:

- Must reflect the value of your assets **as of the exact date (snapshot)** of the first hospitalization and/or nursing home admission that lasts or is expected to last 30 or more days.
- Is completed only once even if assets change or if the patient is discharged from and readmitted to the nursing home.
- Requires you to list all the assets that you and your spouse own individually, jointly, or with another person. It also requires proof of ownership and value of these assets.

Medicaid policy divides assets into two groups:

- ***Excluded and/or Non-Countable assets:*** These assets are not counted in determining eligibility for Medicaid assistance. (Remember, you still need to report them to DHHS.)
- ***Countable assets:*** These assets are counted in determining eligibility for Medicaid assistance.

What assets ARE countable?

Examples of assets that are countable include:

- Cash, bank and credit union accounts, certificates of deposit
- Stocks, bonds
- Retirement accounts (IRA, 401k)
- Items held in a revocable trust (including a homestead)
- Real estate other than your homestead; i.e. a vacation home
- Multiple vehicles (the vehicle with the highest equity value is excluded) boats, motorcycles, trailers and other recreational vehicles
- Cash surrender value of life insurance (if the total Face Value of all policies to insure the same person is over $1,500)

What assets are excluded, or NOT countable?

Examples of assets that are not countable include:

- One home and all adjoining property in which your equity is $552,000 or less (Equity = fair market value minus debts against the property, e.g., a mortgage)
- One vehicle
- Personal belongings and household goods
- Life insurance (but only if the total of the Face Values of all policies a policy owner has for the same insured person is $1,500 or less)
- Certain prepaid funeral arrangements (check with your MMAP counselor and/or funeral director)
- Certain assets that cannot be sold (and you can prove it!)
- Certain assets that you own jointly and the other owner refuses to sell

The DHHS requires that all excluded, non-countable and countable assets be reported on the Assets Declaration Form. The DHHS will use your Assets Declaration form to determine the amount of countable assets the spouse in the community is allowed to keep. This amount plus $2,000 for the spouse in the nursing home is your asset limit. Any assets a couple has above this limit are called **excess assets.**

You need to be at or below your asset limit as determined by DHHS, based on the Assets Declaration Form, before you apply for Medicaid. (See “How can we use our excess assets?” on page 10.)

How much of our countable assets can I keep?

In 2020, the spouse in the community is allowed to keep the greater of:

- $25,728***** in countable assets **OR**
- One-half of the couple’s total countable assets, up to $128,640*****

This is called your ***Protected Spousal Amount***

***These amounts change each January.**

How much of our countable assets can my spouse keep?

The nursing home spouse is allowed to keep up to $2,000.

Example #1

The Couple has $15,000 in *Countable Assets* on the *Exact Date* (*snapshot)* used on their Assets Declaration.

- The community spouse is allowed to keep all of their assets because they are below the minimum asset limit, i.e., $25,728 + $2,000.
- The assets can be in one or both names without affecting eligibility at the time of application.

Example #2

The Couple has $30,000 in *Countable Assets* on the *Exact Date* (*snapshot)* used on their *Assets Declaration*.

- The ***spouse in the community*** is allowed to keep $25,728 (the minimum Protected Spousal Amount).
- The ***nursing home spouse*** is allowed to keep $2,000.
- The ***nursing home spouse*** will be eligible for Medicaid when the couple's total countable assets are $27,728 or less.
- The assets can be in one or both names without affecting eligibility at the time of application.

Example #3

The Couple has $100,000 in *Countable Assets* on the *Exact Date*

(*snapshot)* used on their *Assets Declaration*.

- The ***spouse in the community*** is allowed to keep $50,000.
- The ***nursing home spouse*** is allowed to keep $2,000.
- The ***nursing home spouse*** will be eligible for Medicaid when the couple's total countable assets are $52,000 or less.
- The assets can be in one or both names without affecting eligibility at the time of application.

Example #4

The Couple has $260,000 in Countable Assets on the Exact Date *(snapshot) used on their Assets Declaration.*

- The ***spouse in the community*** is allowed to keep $128,640.
- The ***nursing home spouse*** is allowed to keep $2,000.
- The ***nursing home spouse*** will be eligible for Medicaid when the couple's total countable assets are $130,640.
- The assets can be in one or both names without affecting eligibility at the time of application.

Reminder: Your **Exact Date *(snapshot)*** is the date for which you will report the value of all your assets on the ***Assets Declaration*** form. The ***Assets Declaration*** form will reflect the value of your assets as of the first day of a hospital and/or long term care facility stay that lasts or is expected to last 30 continuous days. Proof of the value of your assets must reflect **<u>that exact date</u>**. Providing documents that show values around or about that date is not sufficient.

How can we use our excess assets?

STOP! Before you rush into spending down your assets, complete an Assets Declaration form, DHS 4574B so that you are aware of the amount you are allowed to keep. A MMAP counselor can help you complete this form.

For many people, the easiest way to qualify for Medicaid is to spend down their excess assets. The DHHS allows excess assets to be used in several ways. Some common examples include:

- Paying nursing home bills and expenses
- Prepaying funeral expenses for the nursing home spouse and perhaps, the spouse in the community (When consulting with a funeral home about this purchase, make sure to mention that qualifying for Medicaid is one of your goals)
- Purchasing personal need items for you or the nursing home spouse (clothing, TV, radio, etc.)
- Paying regular household bills and living expenses
- Paying medical expenses of either or both spouses
- Making needed home repairs (replace roof/furnace/water heater, remodel bathroom, etc.)
- Purchasing household goods (carpeting, cabinets, furniture, appliances, etc.)
- Upgrading a vehicle (ask yourself if your vehicle will last for as long as you want to drive)
- Paying off credit card debt or other loans

Depending on your situation, other planning options may be available. Consult with your MMAP counselor or an elder law attorney with expertise in the Medicaid program to learn more.

You MUST keep careful records when spending excess assets. You will be asked to provide proof of how you spent down your excess assets.

In many cases, this includes copies of checks and/or receipts.

Can I spend down my excess assets on an annuity?

While the use of a certain type of annuity may work as a way to spend down excess assets, it has some very real disadvantages. The State of Michigan must be named as the primary beneficiary if the annuity is not fully paid out when the annuitant dies. An annuity may increase the amount the nursing home spouse must pay to the nursing home compared to other alternatives. An annuity must also satisfy very strict requirements in Medicaid policy (BEM401). If it does not satisfy each and every one of those requirements, it can cause a penalty period to be imposed in which Medicaid will not pay for the nursing home spouse's care.

When considering an annuity as an option for spending down excess assets, consult with your MMAP counselor or an elder law attorney with expertise in the Medicaid program to learn more.

Can I spend down my excess assets by putting them in a trust?

If you put your excess countable assets in a revocable trust, they are still counted in determining whether the nursing home spouse is eligible for Medicaid. While revocable trusts are useful in estate planning as a means of avoiding the probate process and to accomplish other goals, they do not shelter assets from being counted by the Medicaid program.

Certain irrevocable trusts that are set up solely for the benefit of the spouse in the community or for a blind or disabled child may be used as a means of spending down excess assets. These kinds of trusts must satisfy very strict requirements in Medicaid policy.

When considering an irrevocable trust as an option for spending down excess assets, consult with an elder law attorney with expertise in the Medicaid program to learn more.

What happens if I give away my money or other assets?

On the Medicaid Application (DHS-4574), you must report whether you or your spouse has given away, sold or transferred ownership in any income source or asset within the past 60 months, for less than fair market value.

The transfer of assets or income for less than fair market value for the purpose of qualifying for Medicaid is called ***divestment.*** Divestment triggers a Medicaid penalty period. During a ***penalty period*** Medicaid will not pay for your long term care costs. The length of the penalty period is based on how long you could have paid for your long term care costs with the amount of assets you gave away.

The penalty period begins on the date you are in a hospital and/or nursing home and you are otherwise eligible for Medicaid payment (your assets are at or below the asset limit).

Medicaid divestment rules changed in February 2006 and have made the penalties for divestment much stricter. Asset transfers and gifting that may have worked for your friend, neighbor, or relative a few years ago may not work today.

WARNING!!!! Divestment rules are tricky and unforgiving. Make sure you seek the assistance of a MMAP counselor or an elder law attorney with expertise in the Medicaid program before making any gifts of your assets, even to your family or place of worship.

Important Information about giving away your assets.

- The DHHS will consider any transfer of income or assets as divestment unless you can prove that it was made for a reason other than qualifying for Medicaid. Even if you can offer that proof, DHHS may treat the asset transfer as divestment.

- You **MUST** report any assets or income source you or your spouse have transferred, given away or sold within the past 60 months. You must be prepared to show that you received fair market value in exchange for each asset transferred.
- Giving away your home or putting another person's name on the deed **IS** divestment unless the transfer is to a spouse or a blind or disabled child. (Note: Under certain **very limited** circumstances, transferring a home to a child over age 21 who is not disabled or to a sibling is not divestment.)
- Transferring any other kind of asset to a spouse or a blind or disabled child is **NOT** divestment. For example, while DHHS treats the transfer of a vehicle as divestment, it is not divestment if the vehicle is transferred to a spouse or to a blind or disabled child.
- Using a countable asset to purchase a non-countable asset of equal value is **NOT** divestment. For example, using the cash from a certificate of deposit (CD) to purchase a car, household appliance, or other non-countable or excluded asset of equal value is **NOT** divestment.

Example of Divestment

George enters a nursing home. George and his wife Mary complete an Assets Declaration and determine their Medicaid asset limit. When their countable assets are at or below the Medicaid asset limit, they file a Medicaid Application. However, in the past 60 months George and Mary have given each of their four children $10,000. The penalty period is calculated as follows:

- $10,000 x 4 = $40,000 (total amount of assets divested)
- $40,000 ÷ $8,618*= 4.641

The penalty period in this example is 4 months, 19 days. George is in the nursing home and is otherwise eligible for Medicaid (George and Mary's assets are at or below their asset limit). Medicaid starts the first day of the month for which a Medicaid application was filed. During the penalty period Medicaid will NOT pay for George's nursing home care costs. George and Mary now have to pay for those costs out of pocket throughout the penalty period because of their gifts.

*** $8,618 is the 2020 divestment divisor, which is the average monthly cost of nursing home care in Michigan according to DHHS. This number changes every January.**

How much of our income will I be allowed to keep for household expenses?

For many couples, a major concern is how their income will be handled after the nursing home spouse becomes eligible for Medicaid. The amount of income the nursing home spouse is required to pay to the nursing home is called the *Patient Pay Amount*. Here are a few helpful tips about the Patient Pay Amount*:*

- The spouse in the community pays none of her or his income toward the care of the nursing home spouse.
- The nursing home spouse may be able to contribute all or part of his or her income to help the spouse in the community pay for living expenses.
- The Patient Pay Amount is calculated using a formula in the Medicaid rules. The formula uses many variables. Because every person's circumstances are different, the Patient Pay Amount is different for every nursing home spouse.

The DHHS will need proof of income for both spouses to determine the nursing home spouse's Patient Pay Amount. In addition, you will be asked to provide proof of your household expenses (mortgage, rent, taxes, insurance, utilities and/or other shelter expenses.)
In 2020, the amount of the nursing home spouse's monthly income that may

be contributed to the spouse in the community ranges between $0 and $3,216. This is called the ***Community Spouse Income Allowance***. The actual amount depends on the amount of the community spouse's monthly income and the amount of her or his shelter expenses. Under certain circumstances, a court may order that a higher amount be contributed to the spouse in the community.

In addition to the Community Spouse Income allowance, the following are deducted monthly from the nursing home spouse's income to determine the Patient Pay Amount:

- $60 for a patient allowance
- The amount paid by the nursing home spouse for any health insurance premiums
- $83 for court-appointed guardian/conservator fees
- A family allowance for certain children, siblings or parents of either spouse who live with the spouse in the community
- A children's allowance for certain children under age 18 who live with the spouse in the community

Also, there are procedures available through the Michigan Department of Health and Human Services for reducing a nursing home spouse's Patient Pay Amount if she or he has medically necessary health care costs that are not covered by Medicaid or copayments for Medicaid covered services.

How do I apply for Medicaid?

You must complete an Assets Declaration (DHS-4574-B) and a Medicaid Application–Patient of Nursing Home (DHS-4574). Your MMAP counselor can give you these forms or you can obtain them by contacting your local DHHS office or online at www.michigan.gov/mdhhs "Doing business with DHHS", "Forms & Applications".

In addition to completing these forms, you must:

- Provide proof of the current value of your assets and the value of all assets you owned on the snapshot date.
- Provide proof of the monthly amount of each of your sources of income.
- Provide proof for all account closures, transfers, sales, gifts, and other activity involving your assets within the past 60 months.
- Provide proof of all your shelter expenses and the amount the nursing home spouse pays out of pocket for any health insurance coverage.
- Show through receipts and/or documentation how your excess assets were used or spent down (when applicable).
- Provide personal records such as copies of your driver licenses, Social Security cards, Medicare cards and all your private health insurance cards.

The nursing home will also complete an assessment of the nursing home spouse to confirm that nursing home level of care is appropriate for him or her. Regardless of whether you qualify financially for Medicaid, *your spouse must qualify medically for Medicaid to help pay for care costs.*

If you qualify for Medicaid, your coverage will start the first day of the month in which you filed your Medicaid Application. In addition, coverage is available for up to three months prior to the month of application. For each month that a person seeks Medicaid coverage in the three-month retroactive period, it must be shown that she or he satisfied all the Medicaid eligibility requirements in that month.

What happens after my Medicaid application is submitted?

DHHS will approve or deny your application. While your application is being processed you may have to pay the nursing home a Patient Pay Amount. The DHHS will give you the estimated amount. You should receive a

"Tentative Patient Pay Amount Notice", DHS-3227 within 5 working days of the application date.

The DHHS may also request additional documentation that you must provide. The deadline is 10 days from the day of the request. If you cannot make the deadline, it is very important that you request a 10-day extension by calling, faxing and/or e-mailing the DHHS Eligibility Specialist whose name and contact information appear on the request. You can get up to two 10-day extensions for providing DHHS the documentation they request. Failure to meet a deadline for providing this information will result in the denial of a Medicaid application.

What happens once my application is approved?

You may need to complete an *Intent to Contribute* form (DHS-4592). This form indicates the amount of income the nursing home spouse will contribute to the spouse in the community instead of paying that amount to the nursing home. Once it is completed it must be returned to DHHS. The nursing home spouse may choose to contribute less than the Community Spouse Income Allowance calculated.

Is there anything I need to do after the Medicaid application is approved?

- The nursing home spouse is presumed eligible for 12 months. At the end of the 12 months, the countable assets in the name of the nursing home spouse must be less than $2,000 to continue receiving Medicaid.
- You will need to remove the name of the nursing home spouse from most countable assets. Assets owned by the nursing home spouse should be transferred to the ownership of the spouse in the community during that first year. Remember to keep proof that the nursing home spouse's name has been removed.

In addition, you may want to do the following:

- Start or continue to have the nursing home spouse's income direct-deposited into a joint checking account with you. This gives you access to the account, so you can write checks. Keep this as your spouse's account. Remember, the account balance must remain at or below $2,000.
- Open a separate checking account for yourself only. Have your income go into that account by direct deposit.

Is there anything I will have to do on an annual basis?

On or about each anniversary of the Medicaid eligibility date, your spouse will have to submit a new Medicaid application called a ***Redetermination***. The redetermination:

- Requires all assets which are still owned by the individual, the spouse, and jointly owned to be verified, including transfers of all assets which were owned at the asset assessment, but which are no longer owned. All transfers will be reviewed for divestment.
- Requires proof that the combined value of all assets owned by the nursing home spouse are at or below $2,000 for at least 1 day in the calendar month.
- Does *not* require that the assets of the spouse in the community be reported.
- Requires verification of the income of both.
- Requires proof, through documentation, that the nursing home spouse's name was taken off all countable assets, except for her/his $2,000.
- Requires proof of the community spouse's shelter expenses and any health insurance or guardian/conservatorship expenses paid by the nursing home spouse. This is to ensure that as much of the nursing home spouse's income as possible may be retained by the spouse in the community instead of being paid to the nursing home through the

Patient Pay Amount.

Are there other things I need to consider?

- The nursing home spouse has one year in which to transfer her/his assets to the ownership of the spouse in the community to retain Medicaid eligibility. If assets are going to be sold before this time, the transfer of ownership should be completed before the sale. Also, the nursing home spouse's share of the sales proceeds should be transferred to the spouse in the community. That will assure that the sales proceeds do not affect the nursing home spouse's continuing eligibility for Medicaid and that the spouse in the community may keep those proceeds.
- See an attorney to update your estate planning. (***Will, trust, power of attorney,*** and ***designation of patient advocate*** are some examples of documents to consider). Keep in mind that if the spouse in the community dies before the nursing home spouse and the community spouse's estate planning documents name the nursing home spouse as the heir that could disqualify the nursing home spouse from Medicaid when the estate is distributed.

If we qualify for Medicaid will the State take our home?

Michigan passed an estate recovery law in 2007 (Public Act 74 of 2007). Estate recovery is a program by which the Michigan Department of Health and Human Services may, under certain circumstances, try to recover the expenses paid on behalf of Medicaid recipients from their estates.

Go to http://www.michigan.gov/estaterecovery for more information.

If you are concerned about estate recovery, consult with an elder law attorney with expertise in the Medicaid program to learn more about whether property you own might be subject to estate recovery in the future and whether there are planning opportunities available for avoiding that.

Tips on selecting a Medicaid Attorney

If you are trying to find an attorney who is knowledgeable about the Medicaid eligibility rules and estate planning, the following questions may help in making your selection. Ask the prospective attorney:

- Are you familiar with Michigan's Medicaid policies used by the Department of Health and Human Services? Do you regularly use the online version of those policies?
- How many years have you helped married couples with Medicaid eligibility issues? Do you keep up to date on changes in Medicaid policy?
- How many Medicaid cases do you handle each year? What percentage of your law practice is devoted to Medicaid cases?
- When was the last time you worked with a couple seeking Medicaid to help pay for nursing home costs?
- What training have you had in Medicaid law and practice? How recently?
- Are you a member of any organization of lawyers that specializes in Medicaid, e.g., the State Bar of Michigan Elder Law and Disability Rights Section, the National Academy of Elder Law Attorneys, etc.?
- Do you work with any organizations that assist persons who need help through the Medicaid program?

Glossary of terms

Below is a list of terms you may encounter while navigating the long term care system. Not all terms are used in this booklet.

Activities of Daily Living (ADLs): The term used to describe things people usually do for themselves, but which they may need to have assistance with if they are suffering from a medical condition. Measuring the extent to which an individual can perform these ADLs is used to decide what type of housing situation is suitable for the individual.

Annuity: Financial arrangement in which an individual transfers funds to a company, and in return receives a promise to have those funds returned to them at some future date, under terms established by the annuity contract. While annuities may be appropriate investments for some individuals, unfortunately some annuities are inappropriately marketed to seniors as a "fix all" for Medicaid eligibility.

Asset Limit: The maximum amount of countable assets a person can have and still qualify for Medicaid benefits.

Assets Declaration: The DHHS form (DHS-4574-B) which reflects the value of the assets of the couple as of the snapshot date (Initial Assessment Date).

Bed Hold: The payment to a nursing home, if facility is at or above 98% occupancy, during temporary periods away from the nursing home in order to ensure the availability of the nursing home bed upon return to the facility. An example of a temporary period away from the nursing home would be a hospital stay (also based on 98% occupancy).

Cash Surrender Value (CSV): A term that refers to the amount of cash a person can withdraw from their life insurance policy. For Medicaid eligibility purposes, the CSV of a life insurance policy is typically considered an asset.

Centers for Medicare and Medicaid Services (CMS): CMS is a division of the federal Department of Health and Human Services, which finances and administers the Medicare and Medicaid programs. Among other responsibilities, CMS establishes the standards for the operation of nursing facilities that receive funds under the Medicare and Medicaid program.

Conservator: An individual or entity appointed by the court who manages the property and finances of another person, whom the court has determined needs assistance with those matters. A person who has executed a Durable Power of Attorney typically would not need a Conservator.

Countable assets: These assets are counted in determining eligibility for Medicaid assistance.

Department of Health and Human Services (DHHS): The State agency that makes determinations regarding Medicaid eligibility.

Divestment: A term used in Medicaid policy that refers to the transfer of an asset, for less than fair market value, to become eligible for Medicaid benefits.

Estate Recovery: A program through which a State recovers resources from the estate of a Medicaid beneficiary, after the beneficiary has died.

Excess Assets: The amount of assets a person has over his or her asset limit for Medicaid. A person with excess assets is not eligible for Medicaid.

Face Value: A term that relates to the original death benefit of a life insurance policy.

Guardian: A person appointed by the court, to make medical and other decisions for another person (the ward), whom the court has determined to be legally incapacitated. A person who has executed a Patient Advocate Designation would typically not need a Guardian.

Intent to Contribute: The DHHS form (DHS-4592) that must be completed which allows a nursing home spouse to contribute some or all of his or her income to the spouse in the community if he or she is allowed to, based on the Patient Pay Amount.

Long Term Care Insurance: Private insurance designed to pay for long term care services, including care in a nursing home, and for some policies, in a home or other appropriate setting.

Level of Care Determination (LOCD): Medicaid requires that an individual applying for Nursing Home Medicaid benefits is screened to ensure they need a nursing home level of care. The nursing home must complete a screening of each resident applicant to ensure that the individual does require nursing home level of care.

Long Term Care Ombudsman: The Long Term Care Ombudsman program advocates for the rights of all residents in long term care facilities. The Ombudsman visits the nursing home on a regular basis. It is their job to assist residents with dispute resolution with the long term care facility, investigate complaints, and be an advocate for residents.

Medicaid: A federally supported, state operated public assistance program that pays for health care services to people with low income, including elderly or disabled persons who qualify.

Medicaid Certified bed: A nursing facility bed in a building or part of a building which has been determined to meet federal standards for serving Medicaid recipients.

Medicare: A government health insurance program that is available to all individuals who have paid sufficient Medicare taxes and who are either over age 65 or disabled. Medicare has four parts. Individuals may be eligible for all or some of these parts:

- Part A: Primarily assists with payment of hospital care
- Part B: Primarily assists with payment of doctor visits
- Medicare Advantage (sometimes referred to as Part C): The optional managed care coverage through which Medicare beneficiaries receive private insurance coverage in lieu of traditional Medicare
- Part D: Pays for some prescription costs

MMAP (Michigan Medicare/Medicaid Assistance Program): Is a free service that can help individuals make informed health benefit decisions.

Non-Countable assets: These assets will not be counted in determining eligibility for Medicaid assistance. (Remember, you still need to report them to DHHS.)

Nursing Home Medicaid Application: A form (DHS-4574) which needs to be completed to request Medicaid benefits on behalf of an individual residing in a nursing home. (DCH-1426 or MDHHS 1171 may also be used.)

Nursing Home Spouse: The spouse who is a resident of a nursing home.

Patient Advocate Designation: The legal document whereby an individual appoints another person to make medical decisions for the individual in the event the individual is unable to make his or her own decision. It can also be called a Health Care Power of Attorney.

Patient Pay Amount: An amount, calculated by DHHS, which the nursing home spouse is responsible for paying to the nursing home each month toward his or her care.

Penalty Period: A length of time for which Medicaid will not pay for the long term care costs of a Medicaid beneficiary, due to divestment.

Power of Attorney: A legal document allowing one person (the Agent) to act in a legal matter on another's (the Principal) behalf relating to financial or real estate transactions. A Durable Power of Attorney includes language stating that the Agent is still allowed to act, even if the principal becomes incapacitated.

Redetermination: The annual review for an ongoing Medicaid recipient to continue to receive Medicaid benefits.

Snapshot Date: The date for which an individual completes an Assets Declaration. The first date for which an individual is the resident of a hospital and/or long term care facility and is expected to remain for at least 30 consecutive days. Also called the Initial Asset Assessment (IAA) date.

Spouse in the Community: The spouse who is not living in a nursing home.

Trust: An agreement between the settlor and the trustee, where the trustee agrees to manage the property of the settlor, according to the terms of the agreement, for the beneficiaries of the trust. A trust can be revocable (changeable) or irrevocable (not changeable). Most trusts created for estate planning reasons are revocable. While a revocable trust may be used in Medicaid planning, it does not shelter assets from Medicaid. Specific types of irrevocable trusts can be used for Medicaid planning.

Will: A legal document through which an individual nominates a personal representative to administer the individual's estate, and directs how the property shall be distributed after the individual's death.

Helpful websites for your reference…

www.mmapinc.org (to find out more about MMAP)

www.michigan.gov/mdhhs (to find your local DHHS office, and to download forms)

www.michigan.gov/estaterecovery (to learn more about Michigan's Medicaid estate recovery program)

www.ssa.gov (to get a copy of your annual benefit letter)

www.medicare.gov (check out Nursing Home Compare)

www.michigan.gov/miseniors (Aging and Adult Services Aging)

MMAP is the Michigan's State Health Insurance Assistance Program (SHIP) and Senior Medicare Patrol (SMP)
If you suspect Medicare fraud call MMAP 1-800-803-7174

Notes

MMAP
NAVIGATING HEALTH CARE

For more information call

1-800-803-7174

Or visit
www.mmapinc.org

Published by MMAP, Inc.

MMAP is a free service which is funded by grants from the U.S. Department of Health & Human Services – the Administration for Community Living, the Michigan Department of Health and Human Services, the Michigan Aging and Adult Services Agency. MMAP does not receive funding from, nor is is affiliated with, any insurance companies. This project was supported, in part by grant numbers: 1801MIMISH, 1801MIMIAA, 90SAP0010, and 90MPPG0039 from the U.S. Administration for Community Living, Department of Health and Human Services, Washington, D.C. 20201.

ship state health insurance assistance programs NATIONAL NETWORK

LOCAL HELP FOR PEOPLE WITH MEDICARE

SMP Empowering Seniors To Prevent Healthcare Fraud