In a Perfect World

The Best Long Term Care Plan for Married Couples

The following long term care plan example is short and to the point. This planning combines Long Term Care Insurance first and then shifting to Medicaid with proper Medicaid planning to protect the assets for the surviving spouse and allowing the assets to go to the heirs. Some of the terms, you may not understand unless you attend my class. There are many exemptions and exceptions that may affect your own personal results. Still for a married couple, I would consider this the best asset protection plan of my estate if either one or both spouses ended up needing (long term care).

1. At a minimum; buy on each couple a 2-year "Shared", "Partnership approved", "Survivorship" "Traditional" Long Term Care Insurance policy with enough benefit to cover 2/3rd of the total current daily Nursing Home cost ($330 a day) with 3% - 5% inflation protection.
2. Assuming Medicaid rules don't change, if one spouse needs to go to a senior care community down the road file a claim on their policy. Once approved you can decide how to use your benefits. Most facilities want a minimum 2 years of private pay money before they will allow a resident to transfer over to Medicaid. This is why you really want the 2 years of LTC insurance each. Then 2 years later, the option to shift all the assets (See my "Myths of Medicaid") to the healthy spouse and have the ill spouse go on Medicaid. Now the healthy spouse can keep an eye on their spouse on Medicaid and has choices to take them off Medicaid if things aren't working out and private pay again. This is one of the reasons Medicaid does not impoverish Married couples as it was never the intent. When the Medicaid spouse passes there is no Medicaid recovery when done legally and financially by a Medicaid Specialist Attorney and a Financial Medicaid Planner.
3. If the Medicaid spouse passed and did not need to use their LTCI policy, now the healthy spouse could have 4 years of the combined LTC policy benefits "Shared" and most of all the assets net worth.
4. Now down the road say the healthy spouse needs to go to a senior care community, so they start using the 4 years of benefits of the combined LTC policies.
5. Just before the policy runs out and stops paying for your care, you file for Medicaid and use the "Partnership rules" of the policies and the "Partnership form" on HCS web site and the Medicaid application to declare what assets you wish to protect up to the amount of money your Partnership policies paid out (let's say $300,000) in benefits. Now you would private pay until you were around 2 months from hitting $2000 single Medicaid standard knowing you can still keep (+ $300,000). Now you are on Medicaid and have $302,000 left to do with whatever you wish.
6. You can use it to:
    a. Protect your home from a Medicaid Lien.
    b. Have the assets to upgrade your care on Medicaid to not just have $58 a month of income left.
    c. Pass the assets to your children before or after you pass away. This is huge because many want to give assets to their children and there is currently a 5-year look back if you do so without Partnership Protected LTCI insurance.

And you thought this was simple?

This is based on the 2017 Medicaid and Long-Term Care Insurance regulations and benefits of Washington State, only.