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# Medicaid Crisis Planning: Paying for Long-Term Care

**By Roxane Crowley, Esquire**

COVID-19 has been devastating to long-term care residents. Although the situation has improved greatly after the availability of vaccines, family members are still hesitant to make the decision to place their loved ones in a nursing home setting. Nonetheless, there was and continues to be an important need for assisted living and/or nursing home care.

Should placement in a long-term care community be necessary, it is important to adequately prepare for the significant financial costs of care. Medicaid crisis planning is a crucial step in preparing for the future and taming the unexpected. Medicaid crisis planning can

help turn an unexpected situation into the best possible outcome for the resident and/or the spouse.

I recently worked with a client named Marie. Marie's life savings totaled about \$305,000. When she remarried while in her late 60s, it did not matter that her new husband had scant funds. Marie was happily working, and her new husband, Charlie, could help with the bills using his significant pension. No more than 10 years after their marriage, Charlie was diagnosed

with Alzheimer's Disease. As the disease progressed, Marie could no longer care for Charlie. He moved to the memory care facility at a cost of \$6,500.00 per month. Marie not only felt guilty but also selfish. She did not want to spend her modest retirement savings on Charlie's care. What if she needed care?

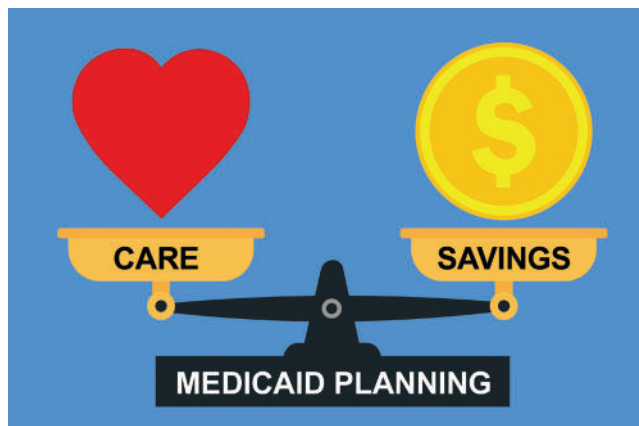
When I first met with Marie, she shamefully shared her situation like a confession. Marie was not being selfish, she was practical. I told her no

one wanted her to go broke paying for Charlie's care. Not even the federal government. She gave me a puzzled look, and I explained we can protect her savings, even if Charlie is

receiving Medicaid to pay for his long-term care. We just needed the right approach to Medicaid crisis planning.

If a Medicaid applicant is married, eligibility for the program is based on the assets of the couple, not just the applicant. However, the 2005 Deficit Reduction Act (DRA) clarified Medicaid spousal impoverishment protections enabling the community spouse (Marie) to preserve her assets while establishing Medicaid eligibility for

*(Continued inside on page 2)*



## The Value of Home Modifications For Older Adults

The focus of our elder care law firm is to offer a multi-disciplinary approach to address the issues associated with the aging process. Traditional legal services such as drafting estate planning documents, trust planning, and guardianships are important legal tools that everyone should plan for. However, these purely legal tools do not prevent seniors from falling in their home and subsequently requiring a hospital stay and possible nursing home placement.

As such, we provide both legal and non-legal care advocacy services to keep seniors at home, where most older adults want to be. COVID-19 and its aftermath have made senior living facilities increasingly unpopular. A recent New York Times article, “Many Older Adults Lack Even Simple, Helpful Equipment,” highlighted the fact that railings, grab bars, shower chairs and other inexpensive devices can make it easier to continue living at home, but not enough older people acquire



them. For a rather minimal cost, these basic home modifications can help older adults remain healthy at home.

As part of Rothkoff Law Group’s expanding health care advocacy, in order to help our clients remain safe at home, we are pleased to announce Rebeca Sternbach-Schwartz has joined our elder care law firm as a Home Modification Consultant. Rebeca is a Certified Aging in Place Specialist and earned an Executive Certification in Home Modification.

Rebeca will be helping our clients who are currently at home or are in a hospital or rehabilitation setting with the goal of returning home. She will work in conjunction with our Elder Care Coordinators to assist with discharge planning to home.

Please feel free to contact our office should you have any questions regarding our expanding health care advocacy services.

## Medicaid Crisis Planning: Paying for Long-Term Care *(Continued from front page)*

the institutionalized spouse (Charlie). A Medicaid compliant annuity is one form of protection.

Using a Medicaid annuity can be tricky. The product must meet federal requirements, and the amount and timing of its placement must be exact. Poor planning can result in ineligibility for Medicaid for a long time. Assistance from an experienced elder law attorney is essential.

The upside: the purchaser of the

annuity (Marie) can fund it with savings that exceed the Medicaid eligibility resource cap. By purchasing the annuity, Charlie’s eligibility for Medicaid is accelerated, and Marie gets her money back in substantial monthly payments. Once the annuity payments are deposited into Marie’s bank account, it is hers free and clear. She can invest it, put it toward a down payment on a condo, or use it to up her ante in a poker game. It is hers.

When I met with Marie to complete the annuity paperwork, she was nervous. She had never written such a large check – \$300,500.00 – but she wrote it gladly. She knew funding the annuity was in the best interest of her and Charlie.

There are many variables to decide what is the best long-term care plan for an individual. However, it is important to plan in order to allow for the best possible care and financial situation.

**THE ROTHKOFF QUARTERLY** – Published for clients and friends of ROTHKOFF LAW GROUP

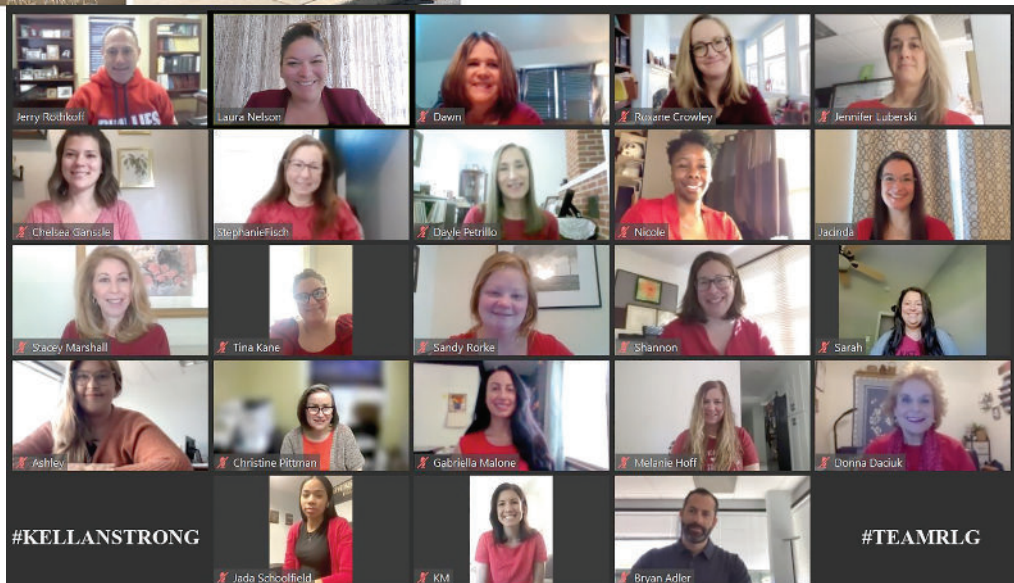
*The success of our firm is a direct reflection of our clients and the referral sources who have supported us. Therefore, we actively welcome your referrals as well as your input regarding the contents of this newsletter. We also welcome comments on the quality of legal services our offices provide.*

# Virtual Elder Care Symposium Registration Now Open

Registration is now open for this year's Elder Care Symposium on October 21st. The Virtual Symposium will be held on a customized virtual event platform featuring virtual presentations and an interactive exhibit hall with virtual booths. Each booth includes videos, downloadable documents and event product information. You don't want to miss this exciting experience! Our keynote speaker is

Dr. Jason Karlawish, physician, writer and professor at the University of Pennsylvania, and the co-director of the Penn Memory Center. Breakout sessions will include institutional racism in senior healthcare, virtual reality with seniors, pain management in the elderly, and more. You can register and learn more by visiting: [www.rothkoffsymposium.com](http://www.rothkoffsymposium.com).

## Rothkoff Law During COVID-19 in Pictures





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## *Update on Rothkoff Law Status*

After almost 1.5 years in a virtual setting, our team is in the process of returning to the office. We also are doing more in-person appointments. We will continue to offer virtual appointments for those who wish to meet via Zoom. Additionally, although we will be continuing with other virtual professional and consumer education series, we will be beginning to offer in-person continuing education presentations beginning this summer.

We have updated our professional and consumer seminars and webinars for 2021. You may review all our updated 2021 professional and consumer events at <https://rothkofflaw.com/events/>.

We hope you continue to enjoy seeing and spending time with your family, friends, and loved ones during the remainder of the summer. Wishes for continued good health to all of you.

All information presented is general and does not constitute legal advice. Please do not act upon this information without consulting an attorney. Anyone facing a legal issue discussed in this publication is advised to seek legal advice from a competent professional.