



Managing Long-Term Care Costs with a
**MEDICAID ASSET
PROTECTION TRUST**

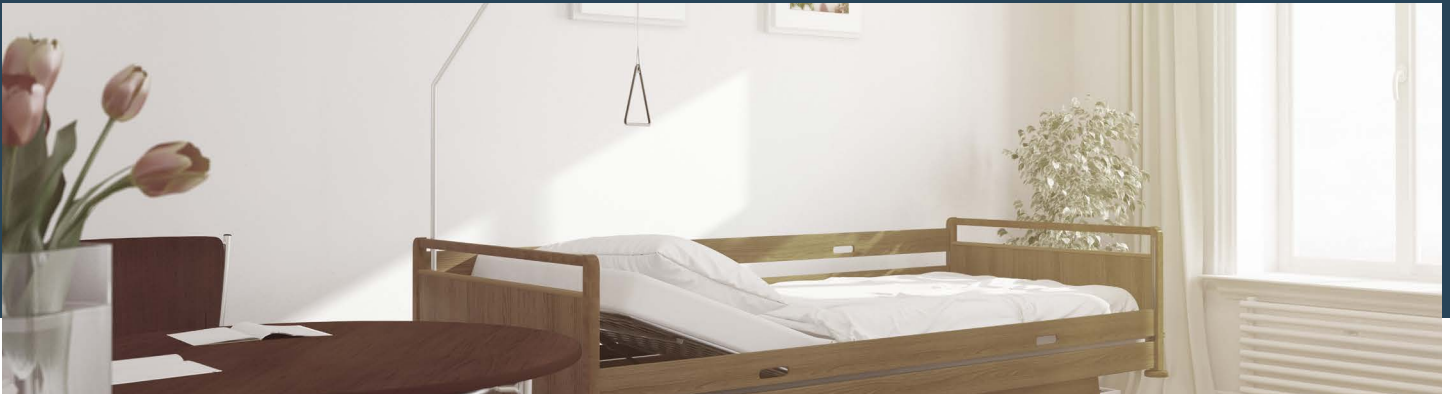


Schluesche Fields S.C.

At any time in life, an accident or illness can leave you or a loved one needing long-term care services, such as residing in a nursing home or assisted living facility. The potential need for long-term care is always increasing with age and declining health. The costs of this care are very expensive and can cause a financial crisis if you are not prepared. Although it is possible to navigate under pressure, your options will likely be limited.

The attorneys at Schluesche Fields S.C. are experienced in Wisconsin long-term care and Medicaid planning. While we can help families faced with a crisis, we believe proactive planning is far more beneficial. Proactive planning gives you the opportunity to protect your home, farm, cabin, or other valuable assets from having to be sold and spent to pay for long-term care in a nursing home or assisted living facility. This is important, as these assets may have taken a lifetime to accumulate, they may have emotional significance to you and your family, and you may want to pass them on to other family members after you are gone.





What is the Cost of Long-Term Care?

Long-term care services help elderly, disabled, and seriously injured people live as independently and safely as possible when they can no longer perform everyday tasks and activities on their own. As the general population continues to age and life expectancies continue to increase, long-term care has become a common reality.

However, the cost of long-term care is shocking and can place an extreme burden on individuals and their families. While the average length of these services, when needed, is around three years, they can go on much longer, eventually costing hundreds of thousands of dollars. Unless a person has already saved and set aside funds for potential long-term care costs, or is paying for costly long-term care insurance coverage, it is often necessary to sell homes, farms, or cabins or liquidate investments in order to pay for long-term care. Here are the average costs for three of the most common long-term care services: in-home care, assisted living facility, and nursing home.

WISCONSIN ANNUAL MEDIAN COST OF CARE (2022)

IN-HOME CARE	Homemaker Services*	Home Health Aide**
	\$68,343	\$70,699
COMMUNITY/ ASSISTED LIVING	Adult Day Care***	Assisted Living Facility****
	\$21,290	\$56,856
NURSING HOME FACILITY	Semi-Private Room	Private Room
	\$111,507	\$120,304

Resource: <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>

* *Homemaker services provides health care services that can be given in your home for an illness or injury.*

** *Home Health Aides help individuals with activities of daily living (bathing, dressing, etc.).*

*** *Adult Day Care offers care and companionship for older adults who need assistance or supervision during the day.*

**** *Assisted living is housing designed for seniors with limited care, assisting with daily activities but not full-time care like at a nursing home.*



Proactive Planning to Protect Assets

Many people understand that Medicaid Assistance was designed to offer health care benefits for low-income adults. It also provides coverage for healthcare premiums and out-of-pocket medical expenses to pregnant women, elderly adults, children, and people with disabilities. Medicaid Assistance does cover custodial care and long-term care expenses in a nursing home and may cover assisted living and in-home care expenses, but only if a person (and their spouse, if they are married) meet Medicaid's financial requirements. Medicaid's financial requirements are strict. An individual on Medicaid Assistance cannot have more than \$2,000.00 in nonexempt assets. Generally, everything except for a person's home, one car, their personal belongings, and a prepaid funeral are "nonexempt assets". If the individual is married, their spouse can have approximately \$135,000.00 of nonexempt assets and also keep any retirement accounts in that spouse's sole name.

A second home, a cabin, savings accounts, investment accounts, recreational vehicles, boats, valuable antiques, and collector's vehicles are all typically nonexempt assets. They must be sold and liquidated to pay for nursing home and assisted living costs if an individual does not otherwise have the cash or long-term care insurance to pay for them.

Even though an individual can qualify for Medicaid Assistance without having to sell and spend the proceeds from their home, the State of Wisconsin will place a lien against their home for any Medicaid benefits paid. If a Medicaid lien is placed, the State of Wisconsin's Estate Recovery Program will receive the proceeds from the sale of your home up to the amount of its Medicaid lien. This means that the State of Wisconsin, not your children, will be first in line to receive your home's value. Many of our clients own farms. Farms are a special asset under the Medicaid rules. In some cases, a farm will be a nonexempt asset and unprotected against having to be sold to pay for nursing home and assisted living costs. In other cases, a farm may be an exempt asset but even then, will be unprotected against Medicaid liens.





What is a Medicaid Asset Protection Trust (MAPT)?

A Medicaid Asset Protection Trust (MAPT) is an irrevocable trust designed to protect assets from being counted for Medicaid Assistance eligibility and the Wisconsin Estate Recovery Program.

Creating a MAPT and transferring assets to the trust five years before applying for long-term care Medicaid Assistance avoids penalties or any impact upon that person's Medicaid Assistance eligibility. Just as important, it protects the transferred assets from ever having to be sold and the proceeds spent on the cost of nursing home care or assisted living. The trust's assets are preserved and can be passed on to children or other family members.

However, you must plan early because of Medicaid's five-year lookback rule for gifts. Transferring an asset into a MAPT is a gift that would disqualify a person from Medicaid for a period of time, if that transfer occurred within five years before the person's Medicaid Assistance application. However, after an asset is transferred and the five-year look-back period expires, it is unavailable for Medicaid Assistance eligibility purposes. Medicaid can no longer count the asset, place a lien against it, or claim it later through the Wisconsin Estate Recovery Program to reimburse long-term nursing home or assisted living costs.



A QUICK LOOK AT HOW A MAPT CAN PROTECT CERTAIN ASSETS:

- For your primary residence, once the five-year look-back expires it is protected from Medicaid liens and the Wisconsin Estate Recovery Program. Even though your home is owned by an irrevocable trust, you can still continue to live there for as long as you wish.
- Investment assets can be transferred to the trust, where they can continue to grow. Once the investment has been owned by the trust for five years it is protected from having to be spent for nursing home or assisted living costs.
- For a farm that includes your house, we can structure the trust plan so that you can continue to live in your house while receiving income from the remaining farm property. Upon the expiration of the five-year lookback, your house as well as the entire farm is protected against Medicaid liens and the Wisconsin Estate Recovery Program.
- For farm real estate that does not include your home, you can continue to receive its income. After the five-year lookback expires, the farmland is protected from having to be sold and spent to cover nursing home or assisted living costs and is also protected from Medicaid liens and Wisconsin Estate Recovery.
- For cabins and cottages you can decide whether you want to have the right to receive any rental income, even after the property is transferred to the trust. Either way, once the five-year lookback expires, the cabin is protected from having to be sold to cover nursing home or assisted living costs and is also protected from Medicaid liens and Wisconsin Estate Recovery.

LONG-TERM CARE PLANNING QUESTIONNAIRE

Please consult with the attorneys at our firm if you answer YES to any of the following questions:

Do you or a loved one worry about paying for long-term care?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Do you want to ensure your property and legacy are preserved for your family or loved ones instead of having to be sold and spent to pay for the high cost of nursing home care?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Do you have assets such as a home, farm, cabin, investments, or savings that you want to protect for your family or loved ones, rather than risking their loss to the high cost of long-term care?	<input type="checkbox"/> YES	<input type="checkbox"/> NO

How Can Schluesche Fields S.C. Protect Your Assets From the High Costs of Long-Term Care?

Planning for the future and possibility of long-term care is vital. While we cannot predict the need for care, we can take steps to prepare for it. The cost of long-term care continues to rise, and by planning now you can protect your assets so that they are available for your family and loved ones to enjoy in the future.

Schluesche Fields S.C., can help you or a loved one protect your home, farm, cabin, investments, savings, and other valuable assets from having to be sold to pay for long-term care with a Medicaid Asset Protection Trust.

If you or a loved one needs help figuring out how to protect against the high cost of long-term care, we can help. Contact Schluesche Fields S.C. and **schedule an appointment** to get started.

Our Process

- 1. Initial Consultation.** Our team meets with you to discuss your concerns. If you are unable to meet with us in person, we can meet by video conference or telephone call for your convenience.
- 2. Plan.** We give you specific and personalized recommendations for how to protect your home, farm, cabin, savings, investments, or other property. The earlier we get involved, the more options there are available to you to preserve your hard-earned assets from the cost of long-term care.
- 3. Action.** We put our strategies to work by creating the trust and funding it with the assets you choose to protect. We continue to be available after the trust is created and funded to answer any questions that may arise. Your satisfaction is the measure of our success.



How Can Schluesche Fields S.C. Protect Your Assets From the High Costs of Long-Term Care?

At Schluesche Fields S.C., our attorneys are experienced in estate planning, elder law, trusts, probate, real estate, and business law. We focus on providing our clients with personalized guidance when facing life's uncertainties.



Todd W. Schluesche

Attorney Todd W. Schluesche was raised and lives in Monroe, WI. He graduated from the University of Wisconsin-Oshkosh in 1991 and from the University of Wisconsin Law School, Madison, in 1994. He is a member of the State Bar of Wisconsin and Secretary-Treasurer of the Green County Bar Association. Todd is the municipal attorney for the Village of Albany, Wisconsin, and a supplemental Green County Circuit Court Commissioner. Todd is currently the Vice President of the Community Foundation of Southern Wisconsin, dedicated to the promotion and creation of charitable funds and projects throughout Southern Wisconsin. Todd is also a member of ElderCounsel, a nationwide organization of attorneys who specialize in elder law and related issues.



Amanda M. Fields

Attorney Amanda M. Fields was raised and lives in Monroe, WI. She is a graduate of the Creighton University School of Law, in Omaha, Nebraska, and a graduate of the University of Wisconsin-Madison, with degrees in Economics and Political Science. During law school, she earned the CALI Excellence for the Future Award in the practice of Elder Law. Amanda is a member of the Wisconsin State Bar Association, Wisconsin State Bar Elder Law Section, Green County Bar Association (Past President), and ElderCounsel. Amanda currently serves as the President of Rainbow Childcare Inc. Board of Directors and is a member of the Green County YMCA Foundation Board and other volunteer organizations.

OUR VALUES

Client satisfaction is the ultimate measure of our success.

We practice integrity, honesty, patience, and humility in our law practice and in our personal lives.

We listen carefully to our clients because each client has their own needs, concerns, and goals.

We explain the process and legal issues and advise our clients in plain language they can understand.

We are fortunate to live and work here, and we give back to our community.

The elderly, veterans, and handicapped persons have much to teach us, and deserve our respect, care, and compassion.

Contact us at Schluesche Fields S.C. for help managing long-term care costs with a Medicaid Asset Protection Trust or call us at 608-325-2500.



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