



Understanding the Medicaid Waiver for Assisted Living

By Janice Martin, Owner of Senior Liaison of Central Florida

Most seniors do not have the income or assets to afford to live in an assisted living community. In The Villages, an unfurnished studio apartment is \$2,995 to \$4,795/month. A one bedroom is \$3,495 to \$5,595. Although this includes all meals, utilities, housekeeping, transportation, parking, maintenance, activities, and laundry, it does not include any care. "Care" means help with showering, grooming, transferring to/from a bed/chair/toilet, medication management (not the medication), incontinence care, and feeding (not preparation). Care fees are determined as "a la carte" or as a level of care. For a la carte, each need has a point(s) and there is a cost per point whereby the resident only pays for their specific care needs. With levels of care, an individual may fall between two levels but may have to pay for the higher level to receive the appropriate care. In The Villages, care fees are between \$300 to \$1,500/month. This is for one person. A second person will be an additional \$900-\$1,200 plus care fees.

It goes without saying that many people cannot sustain this and most do not plan until a crisis. A significant number of calls I receive are from individuals making less than \$1,700 a month. Or they are married, the wife has never worked, her monthly income is less than \$900, and she relies on her husband's income. Most are over 80 years old and have no assets and their health is declining. They can no longer live alone and only now they are thinking about how to pay for it.

Medicare and private medical insurance NEVER pays for assisted living room and care – ONLY therapies or medical equipment.

The alternative for assisted living is the Medicaid Waiver. This is very different than how a nursing home is reimbursed from Medicaid. Depending upon the agreement a community has with a provider, the reimbursement can be around \$1,300-\$1,600/month. It's important to learn how the community applies the benefit. Some apply it only to the care fees not the room fee. Others apply it to the bottom line of both room and care. However, the individual or family must pay for the balance and they may have to accept that they may have to share a room and bathroom.

The application period is lengthy. An interview is scheduled and a score is applied based on the urgency of the need. This score will determine how



quickly the application is approved. In most cases, a person cannot move to an assisted living that accepts the waiver until final approval. **Not all assisted living communities accept the waiver.**

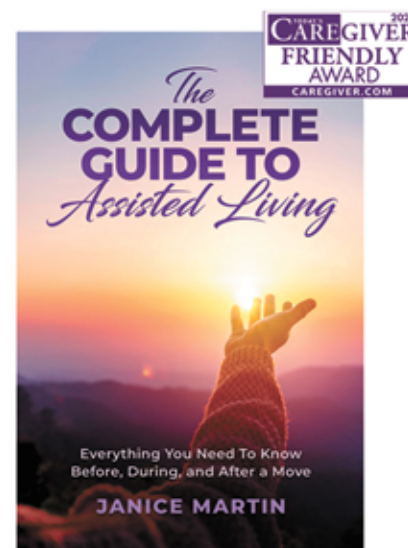
Effective 7/1/23, the individual total monthly income cannot exceed \$2,465. If the income exceeds this, a special Qualifying Income Trust (QIT) can be created. This is an irrevocable trust that may only be used for specific purposes and any balance remaining after death must go to the State.

Total countable assets cannot exceed \$2,000. This includes cash, stocks, bonds, investments, bank accounts, any remaining Covid-19 stimulus checks, and real estate in **which one does not reside**. There are assets that Medicaid considers to be exempt including personal belongings, household furnishings, an automobile, irrevocable burial trusts, IRAs in payout status, and generally one's primary home.

It may not be necessary to spend down any assets. This is accomplished through a PERSONAL SERVICE CONTRACT. A personal service contract is an agreement between a caregiver (who can be a family member) and the elder to provide him or her with personal care services for the elder's lifetime. This is a lump sum transfer of assets to the caregiver(s) in exchange for their contractual promise of care. As long as the transaction is for fair market value and is legally binding, the government cannot disqualify the applicant for Medicaid long-term care benefits as the transfer is **not a gift** - it is a payment for services. This should only be done by an attorney or professional Medicaid specialist.

Never give away or transfer anything considered an asset (see above) to anyone! Florida has a 60-month look back period that immediately precedes one's Medicaid assisted living services application date. Medicaid will check to ensure no assets were gifted or sold under fair market value. **This includes assets transferred by one's spouse.** If it is determined that this has happened, you will be denied benefits for years!

I would like to end with two important points. 1) Please begin NOW to plan! You may WANT to live in your home forever, but there may come a day when this isn't realistic. Do NOT wait for a crisis to think about how to pay for assisted living! 2) Talk with a professional to learn more details and legalities than what I have presented here. This article was written to provide basic information and, as always, information may have changed since it was written. Every effort has been made to provide accurate and current information. I am not a legal professional or expert in Medicaid and leave the legalities to the professionals. The information provided is public information that I have researched from multiple sources.



Janice Martin is an award winning author, educator, and specialist on senior living options and the owner of Senior Liaison of Central Florida Inc. She also connects seniors to selected service professionals. She has written "The Complete Guide to Assisted Living: Everything You Need To Know Before, During, and After a Move." This award winning and #1 best seller is available on Amazon.com in paperback and eBook. For more information, call 352-477-1866.



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