

DRA Medicaid Changes

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The Deficit Reduction Act of 2005 (DRA) brought with it the biggest Medicaid rule changes in 14 years. Even with these changes, we are still able to protect nearly all life savings for a caregiver spouse and more than half for a single person.

The DRA rules have a profound negative effect on estate planning, particularly gifting. The Medicaid look back rules now include all gifts including those to church, charity and family.

Whenever one door closes another door opens. Even though our assisted living facility Medicaid programs have lost all funding, there is still hope for Veterans and surviving spouses of deceased Veterans. Most eligible Veterans and their families are completely unaware of the availability of VA benefits. Often these benefits allow an eligible person to afford needed care at home or at an assisted living facility.

Acute illness such as cancer or heart disease is pretty well covered by Medicare and a good supplement. Chronic illness like stroke or Alzheimer's disease gets a maximum of 100 days of coverage if you are able to wangle at least three days in the hospital and a medical determination that you need skilled or rehabilitative care. Nearly half of nursing home patients go directly from home to nursing home and end up with no nursing home Medicare coverage at all. Without asset protection planning, sufficient income to pay privately, long term care insurance, or some kind of government benefits, a nursing home patient will go broke at the rate of \$6,000-\$10,000 per month. Even worse, the patient faces the possibility of running out of assets and still not being qualified for Medicaid assistance.

If you want to know more about Florida's new Medicaid rules or Veterans benefits, please call my office. I will be happy to send you my latest article on DRA, talk to you or any group you believe might benefit from this information.