FACT PATTERN THREE

FACTS:

Joe King and Mae King are an elderly couple with three adult children.
Between the two of them, they own the following assets:

1.	Home	$175,000
2.	Financial Accounts	$ 90,000
3.	Automobile	$ 15,000

Her monthly income is Social Security of $850 and a pension of $300.
His monthly income is Social Security of $1,100 and pension of $1,000

What can be done to qualify Mr. King for Medicaid?

Mr. and Mrs. King have total assets of $280,000.
The home and automobile are not countable, so there are $90,000 of countable assets. .

1. Community Spouse Resource Allowance. Mrs. King gets to keep ½ of the countable assets, up to $95,160. One-half of $90,000 is $45,000. That leaves $45,000 in assets, or $43,000 "too much".

2. Make House a Countable Asset. *Before* Mr. King enters the nursing home, place the home into a revocable living trust. That makes the house a countable asset bringing the total value of the countable assets to $265,000 as of the date Mr. King enters the nursing home; the "snapshot date". The assets on the snapshot date are used to figure the Community Spouse Resource Allowance. One half of $265,000 is more than $95,160, so Mrs. King gets to keep $95,160. Then *before* the Medicaid application is filed, remove the house from the trust and place it in Mrs. King's name. All of the countable assets are less than the $95,160 CSRA on the application date and therefore Mr. King is immediately eligible for Medicaid. No Joe King. There is a critical difference between the snapshot date and the application date that allows this to work.

3. Spousal Annuity Trust. If there were any assets in excess of the CSRA, place into a Spousal Annuity Trust