

**NEWSLETTER APRIL 2006**

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**ALTCS POLICY UPDATES**

Due to the passing of the Deficit Reduction Act of 2005, the following changes are now in effect for Medicaid / ALTCS. As of February 8, 2006 . . .

1. The look-back period for all transfers is five years (60 months) regardless if there is a trust involved or not.
2. The penalty period for any transfers has now changed.  
\*\* For uncompensated transfers that occurred before February 8, 2006, the penalty period starts as of the date the uncompensated transfer occurred.  
\*\* For uncompensated transfers that occurred after February 8, 2006, the penalty period begins the month in which the applicant applies and meets all of the ALTCS criteria with the exception of the uncompensated transfer.
3. An applicant or spouse must disclose any interest in an annuity and furthermore must now name AHCCCS as the remainder beneficiary of that annuity\*. \*In spousal cases, the spouse may be listed as the first beneficiary but the remainder beneficiary must be AHCCCS.
4. Explanation Section 6014 provides for a denial of benefits for an individual who has equity in a home that exceeds \$500,000.

We have heard through the grapevine that many people believe that ALTCS planning is obsolete. That couldn't be further from the truth. It is important, **now more than ever**, that people seek assistance and information **before** they pursue ALTCS eligibility. Potential ALTCS applicants must know how ALTCS is going to view their particular situation and how these new policies, along with the rest of ALTCS policies, may affect their eligibility or potential eligibility for the ALTCS program.

By seeking out a long term care consultation with **Montgomery & Associates, Inc.**, they can be assured that they will be educated about ALTCS and its eligibility requirements, about VA and its eligibility requirements, about what options are available to them for spend down, and about what options they have to correct eligibility issues if they've done anything to prevent eligibility.

**YEAR 2006  
ALTCS/MCS  
GUIDELINES**

^UPDATED 04/01/06

**Individual Standards**

**\$1809.00**—ALTCS Monthly Income Limit

**\$2000.00**—Resource Limit

**^\$817.00**—QMB Income Limit

**^\$817.01—\$980.00**—SLMB Income Limit

**^\$980.01-\$1103.00**—QI-1 Income Limit

**Community Spouse Standards**

**\$3618.00**—ALTCS Monthly Income Limit\*

**\$21908.00**—Initial Resource Limit

**\$19908.00**—Minimum Resource Allowance

**\$99540.00**—Maximum Resource Allowance

**\$1604.00**—Monthly Spousal Need

**\$482.00**—30% deduction from excess shelter expenses

**\$283.00**—Standard Utility Allowance

**^\$1100.00**—QMB Income Limit for couples

**^\$1100.01-\$1320.00**—SLMB Income Limit for couples

**^\$1320.01-\$1485.00**—QI-1 Income Limit for couples

**Other Standards**

**\$90.45**—NF Personal Needs Allowance

**\$1809.00**—HCBS Personal Needs Allowance

**\$210.00**—Home Maintenance Allowance

**\$88.50**—Standard monthly Medicare Premium

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**WHAT THEY ARE  
SAYING ABOUT  
MONTGOMERY & ASSOCIATES**

**“You were a godsend for helping my mother. Words cannot express the appreciation we feel for your guidance and assistance. If I can ever provide a referral reference for your services, please just ask.”**

—The Caskey Family

**“Thank you! You have gone beyond the call of duty and we are very pleased to have worked with you. Many thanks for your kindness and service.”**

—The Winegarden Family

**“What you’ve done for my family has been incredible, and we all thank you!”**

—The Harkin Family

**“You are my guardian angel. I would not have done this without you.”**

—The Pribyl Family

**“ . . . my thanks and gratitude for your professionalism and courtesy . . . we appreciate the dignity and respect given my mother by your firm.”**

—The Paykel Family

**“You are clearly very knowledgeable in this topic. That knowledge coupled with your real life examples, sense of humor, and ability to respond to questions was greatly appreciated by all in attendance.”**

—Maureen Duane, Coordinator ASU Child and Family Services

**Life Settlements:**

**A New Financial Option In Paying For Long Term Care.**

By Chuck Bongiovanni, M.S.W., M.B.A.

Imagine for a moment there exists a world where several buyers stand ready and willing to purchase your car. They offer substantially more than its trade-in value and you get to choose the highest bid. No advertising, no price negotiating, and no expense to you.

Science Fiction?

Actually, such a world now exists for owners of life insurance policies that are no longer needed, no longer affordable, or no longer serve their original purpose. The Life Settlement industry has created a secondary market for policies intended for lapse or surrender.

A Life Settlement is the sale of a Life insurance policy to a third party for a cash settlement. The money received from the sale can be utilized to pay for in-home care, nursing home care, or assisted living.

A life insurance policy, even one with no cash value can be sold to a third party for a significant amount of money. Utilizing a Life Settlement can create financial options for families with loved ones needing long-term care beyond Medicaid.

The typical profile of a Life Settlement candidate is over the age of 65 with a Life expectancy between 5-12 years. There has to have been a change in the health of the policy owner since the policy was purchased. Policy face amounts of \$150,000 to \$20,000,000 are considered. The types of policies that are eligible include Term, Universal Life, Whole Life, Joint & Survivor Life, Adjustable Life, and Group insurance. When considering a Life Settlement, a questionnaire should be completed to see if the individual qualifies.

With today's cost of long-term care it's refreshing to know that families have options to stay in their home and age in place or move into an assisted living facility or home if they choose to.

Trillions of dollars per year in life insurance are being surrendered or have lapsed by seniors who did not know of this option. A Life Settlement truly may be a financial tool to pay for long term care.

There is no obligation to look into whether or not a Life Settlement could work for you or your family. Please feel free to telephone me for more information at 480/556.1045.