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Medicare Cost-Sharing Programs & 04/2008 Income Limits Increase

HOW DOES AN EXTRA \$1100.00 PER YEAR IN YOUR POCKET SOUND?

Although the Medicare Cost-Sharing (MCS) programs have been available for many years and although there we have talked about these programs every year since we began our company, it always amazes me that people are not aware these programs exist. Since the limits for the Medicare Cost-Sharing programs increase effective April 1, 2008, I wanted to take the time to remind everyone in this industry to educate those around you to the fact that these programs exist and can be a benefit to those with low to moderate income.

The Qualified Medicare Beneficiary or QMB program pays for Medicare Part A and B premiums, co-insurance (that is the 20% that Medicare doesn't pay of the Medicare assignment amount), and the annual Medicare deductibles. For those of you who've lost count of the minimum benefit of this program, let's add it up for you. Since the majority of individuals on Medicare receive Part A free, let's just count the Medicare Part B premium of $\$96.40 \times 12 \text{ months} = \1156.80 PLUS the annual deductibles Part A = \$1024 per hospital stay, \$256 per day for hospital stays past 60 days, \$135 for Part B. Even if you

only had one Hospital Stay and one doctor's appointment, your covered cost savings would be a total of \$2315.80. It is worth it to find out if you qualify. The April 1, 2008, monthly income limit for the program is \$867.00 per month. For a single individual and \$1167.00 for a married couple. Those that have Medicare only and apply and qualify for QMB can continue to use any doctor or hospital they choose - they do not have to switch to AHCCCS/Medicaid approved doctors. However, for those who want to have full medical benefits and want to enroll with an AHCCCS/Medicaid health plan can enroll if they have income within the same limits as the QMB program.

The second and third MCS programs have higher income limits but less overall benefits. These two programs pay for the monthly Medicare Part B premium only. This is a total annual savings of \$1156.80. These programs are called SLMB and QI-1. The SLMB monthly income limit range is \$867.01 to \$1040.00 for a single individual and \$1167.01 to \$1400.00 for a married couple. The QI-1 monthly income limit range is \$1040.01 to \$1170.00 for a single individual and \$1400.01 to \$1575.00 for a married couple.

Please note that there is a



\$20.00 deduction from your total gross monthly income to determine if you qualify so if your gross monthly income (that's the amount you get before anything is deducted from your income) is just up to \$20.00 over the limits stated, you still may qualify for one of these benefits. Also, any interest or dividends received from investments or savings DO NOT count against the total gross monthly income limits stated AND there are no asset or resource guidelines that must be met to qualify for these benefits.

Help us get the word out to your clients, patients, and residents, friends, and family members. Potential members can apply by mail directly to the AHCCCS Administration or they may call Montgomery & Associates, Inc. to help them with the application process.*

*Montgomery & Associates, Inc. is a private consulting firm that charges a flat fee to help with this process. Individuals/Couples can apply for free at the nearest AHCCCS office.

VETERANS BENEFITS

In the past year we have noticed a substantial increased interest in the Veterans Benefit programs. This month we'd like to talk about the programs and some of the myths surrounding them. We receive calls on a daily basis and meet with folks who are under the impression that the programs are easy to qualify for and anyone who served during wartime will get the benefits. What we want everyone to know is that these are government programs and they are needs-based which means there is going to be a substantial amount of paperwork to get someone qualified and the qualification period may take from three months to one year.

For example, the program that is talked about most is the Aid and Attendance program. This program can pay a Veteran up to \$1554.00 per month and a widow of a Veteran up to \$998.00 per month. That doesn't mean that every Veteran or widow who applies for this program will receive the maximum benefit. There is a process to determine the monthly benefit amount. This process starts by adding together all of the gross annual income of the Veteran or widow. If the annual income is over the limit, then the VA looks at unreimbursed medical expenses to reduce the annual income. However, this isn't a straight unreimbursed medical expense deduction. VA adds 5% of the maximum income rate back to the total before determining the benefit rate for the Veteran. Then, VA subtracts the maximum income rate from the remaining total. If, after subtracting the maximum income rate, the remaining total is a negative number, then VA divides that number by 12 to determine the actual eligible payment amount.

However, the income and unreimbursed medical expenses are not the only eligibility factor the VA reviews. The VA also looks at the total net worth to determine the applicant's need for this needs-based pension. The greater the financial need, the better the chance at getting approved for the VA benefit. As a general rule of thumb, those Veterans or widows who have less than one year's worth of assets to privately pay for their own aid and attendance care, will show a higher need than Veterans or widow's who have multiple years worth of assets.

We are also hearing from the VA that the applications received are put in order of priority—the applications which show a greater need are processed quicker than those that don't show as great a financial need.

The other myth that we often hear is the one that if you do not have a medical need, you will

not qualify for any benefits. The Aid & Attendance and Housebound Assistance are not separately administered programs. These are just increased income limits for the pension programs if you have medical need. A Veteran or a widow of a Veteran may qualify for pension alone, if his/her income is below the income rate for the base pension program. These persons do not have to show medical need. They have to show financial need. The income limits for these persons are very low, but if a Veteran or widow of a Veteran has income greater than the maximum rate and lots of unreimbursed medical expenses, they may qualify for up to \$931 for a Veteran and up to \$624 for a widow. Please keep in mind that the actual amount goes through the calculation that we mentioned earlier. First, adding together all annual income, subtracting unreimbursed medical expenses, adding back 5% of the income limit, subtracting the total income limit and determining if there is a negative number which shows the need for the program.

All in all, it is a complicated process. VA and the Arizona Department of Veterans Services can provide some free help in navigating the maze of VA eligibility. There are law firms and private consulting firms that can help you perfect your application for a fee. Ultimately, the final decision rests with the Veterans Administration and the VA's budget. The goal with this article is not to discourage you in the pursuit of these benefits, but to encourage you to seek out more information before putting yourself through the up to one-year process of applying and qualifying for benefits.

Montgomery & Associates charges \$90.00 an hour for our initial evaluation. At the evaluation, we review medical and financial information for that client to determine if they can or should pursue privately paying for their care, pursue government benefits through ALTCS or the Veterans Administration, or if they are just in a position to do some pre-crisis planning. Pre-crisis planning may entail financial planning and utilizing financial tools (insurance, investments, etc.) to accomplish their long term care goals. Our firm also employs a Certified Legal Document Preparer who can help people get their legal documents in order (powers of attorney, living will, estate planning, etc.).

Montgomery & Associates, Inc.
480/464.4968



IMPORTANT NEWS & OTHER WAYS TO SAVE/RECEIVE MONEY

New Dental Benefit for ALTCS members

The 2007-2008 State Budget, passed by the legislature and signed by Governor Napolitano, includes funding for a new dental program available to Arizona Long Term Care System (ALTCS) members.

This program, effective October 1, 2007, will cover dental services up to a maximum of \$1000 per year. The new dental benefits will include preventive and restorative services such as cleanings and fillings.

Each AHCCCS ALTCS Health Plan will administer the new dental benefits for their enrolled members. Current dental benefits related to emergency dental services and medically necessary dentures will continue.

For more specific information about new dental benefits, ALTCS members may contact their health plan.

Source: http://www.ahcccs.state.az.us/Publications/Newsletters/AHCCCSToday/2007/AHCCCSToday_August.htm

ANYONE OUT THERE NEED EXTRA CASH?

1. People who file a 1040 form this year will be entitled to a \$300 per person stimulus payment for each person listed on the 1040 form. ONLY those people who take the time to file the 1040 form will receive the payment. It is our understanding that even if you don't need to file, but do, you will get the stimulus payment, too. How does \$300 extra sound to you?

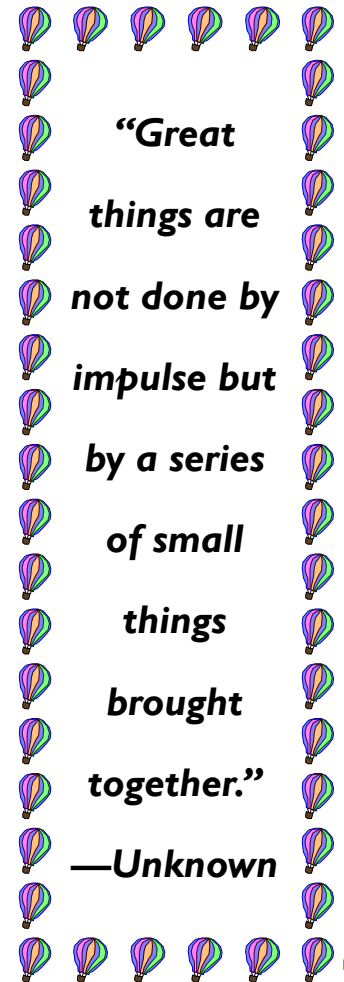
2. People who file a AZ 140x form may be entitled to an excise tax refund from the State of Arizona. The amount of the refund is \$25

for a single person and \$50 for a couple.

3. Individuals age 65+, who are full-time residents of Arizona, who pay property tax, and have limited income, may qualify for **up to** \$502 refund of their property tax. You must file an AZ 140PTC and meet income qualifications to receive this refund.

4. SRP has a program that will reduce your monthly utility cost by \$14 if your income is less than the guidelines. (The income limit ranges from \$1277 for 1-person household to \$3452 for a 6-person household*). See the SRP website: <http://www.srpnet.com/prices/economy.aspx> or call (602) 236-8888 to find out how to enroll.

As always, if you have questions about the information in this newsletter, please call us at 480/464.4968.



“Great things are not done by impulse but by a series of small things brought together.” —Unknown

Employee Achievements



We are proud to announce that Montgomery & Associates, Inc. has two employees who will be graduating from Westwood High School on May 22, 2008.

Tiffany Aragon has been accepted and is enrolled in ASU for fall 2008. Tiffany was offered the college Provost scholarship and plans to study Visual Arts.

Melissa Pina has been accepted to both ASU and NAU. Melissa has not yet chosen her school or major, but

is leaning toward attending ASU.

Both ladies intend to stay on board with our firm and have both accepted the position of Technical Assistant in Training, so don't be surprised to see their names and signatures on letters and mailings sent out.

**CONGRATULATIONS
TIFFANY AND MELISSA
WE ARE PROUD OF YOU!!!**

YEAR 2008 ALTCS/MCS GUIDELINES

^UPDATED 04/01/08

Individual Standards

\$**1911.00**—ALTCS Monthly Income Limit

\$**2000.00**—Resource Limit

^\$**867.00**—QMB Income Limit

^\$**867.01**—\$**1040.00**—SLMB Income Limit

^\$**1040.01**—\$**1170.00**—QI-1 Income Limit

Community Spouse Standards

\$**3822.00**—ALTCS Monthly Income Limit*

\$**22880.00**—Initial Resource Limit

\$**20880.00**—Minimum Resource Allowance

\$**104400.00**—Maximum Resource Allowance

\$**1712.00**—Monthly Spousal Need

\$**514.00**—30% deduction from excess shelter expenses

\$**314.00**—Standard Utility Allowance

\$**2610.00**—Maximum Minimum Maintenance Needs Allowance

^\$**1167.00**—QMB Income Limit for couples

^\$**1167.01**—\$**1400.00**—SLMB Income Limit for couples

^\$**1400.01**—\$**1575.00**—QI-1 Income Limit for couples

Other Standards

\$**95.55**—Personal Needs Allowance

\$**1911.00**—HCBS Personal Needs Allowance

\$**210.00**—Home Maintenance Allowance

\$**96.40**—Standard monthly Medicare Premium



Initial Evaluation (Arizona only)

- ⇒ Do you know someone who needs to do some long term care planning?
- ⇒ Do you need to understand all of the options available to pay for long term care (privately paying or government assistance)?
- ⇒ Do you need to know about long term care resources in the community?
- ⇒ Do you need an outsider's perspective of your long term care situation

Our initial evaluation is \$90.00 an hour. You will leave that evaluation educated and informed about all of the options available to you for funding your long term care.

Veterans Benefits Planning (Nationwide)

- ⇒ Are you a Veteran who served at least ninety days active duty with at least one day during a war-time period?
- ⇒ Are you a widow of a Veteran who served at least ninety days active duty with at least one day during a war-time period?
- ⇒ Do you have low income and minimal assets?
- ⇒ If your income is high: do you have lots of unreimbursed medical expenses?
- ⇒ Do you need assistance at home or in a facility with your activities of daily living (bathing, grooming, toileting, eating, mobility, transferring, etc.)?

Our Veterans Benefits Planning can save you time and money in pursuing these valuable benefits. The Veterans Administration pays cash to you if you qualify. Our assistance can perfect the application to improve your chances of approval.

Financial Planning & Insurance Svcs. (Arizona & Washington only)

- ⇒ When was the last time someone reviewed your financial goals and helped you understand how to reach them?
- ⇒ Are you incurring long term care expenses now and want to know how to make your money last longer?
- ⇒ Have you provided insurance or benefits for your spouse/children should you die prematurely?
- ⇒ Have you started a college savings fund for your children?
- ⇒ Have you started your retirement?
- ⇒ When do you plan to retire? Are you ready for retirement?

Our financial planner can complete a free analysis of your financial plan. He can offer insight and experience to help you achieve your financial goals. Fees/commissions earned by products purchased or investments managed.

Reducing Mortgage Pay-off (Nationwide)

- ⇒ Have you recently purchased a home?
- ⇒ Are you paying a mortgage payment right now?
- ⇒ Would you like to know how to reduce that debt without refinancing or changing to a bi-weekly payment plan?
- ⇒ Would you like to know a way to make your regular paychecks work more effectively for you?
- ⇒ Would you like to pay off your mortgage 10-20 years early?
- ⇒ Have you ever thought about what you would do with your money if you had no mortgage payment?

Give us a call today to find out how you may be able to shave 10-20 years off your remaining mortgage balance.

ALTCS Planning (Arizona only)

- ⇒ Do you know someone who needs long term care services either at home, in an assisted living home or facility, or in a nursing facility?
- ⇒ Is that person running out of money to pay for the long term care services?
- ⇒ Is your income too high to qualify for ALTCS? Do you need an income-only trust?
- ⇒ Do you want to know if you can preserve any of your assets and still qualify for state aid?
- ⇒ Do you need help with the paperwork maze?

Our ALTCS Planning services are based on a sliding fee schedule starting at \$800.00. We use a flat-fee system can keep your planning costs down. Our consultants can help you navigate the ALTCS maze of eligibility and can provide you with valuable time and money-saving options to qualify for this program.

Legal Document Preparation (Arizona only)

- ⇒ Are you over the age of 18?
- ⇒ Have you named an agent to act on your behalf should you become incompetent or incapacitated and unable to manage your financial, medical care or mental health care?
- ⇒ Have you put in writing what your wishes are with regard to end-of-life care?
- ⇒ Have you considered what would happen to your estate upon your death?
- ⇒ Are you a blended family and need to make guardian and financial arrangements for your children should you pre-decease them?

Fees:

1. \$60.00 - Durable Financial Power of Attorney
2. \$60.00 - Durable Medical or Health Care Power of Attorney
3. \$60.00 - Mental Health Care Power of Attorney
4. \$60.00 - Living Will
5. \$200.00 - Items 1-4 for one person
6. \$360.00 - Items 1-4 for a couple
7. \$999.00 - Estate Planning Portfolio* for single individual
8. \$1299.00 - Estate Planning Portfolio* for married couple
9. \$500.00 - Income-only trust
10. \$100.00 - Quit claim deed (includes notarization & recording)
11. \$100.00 - Beneficiary deed (includes notarization & recording)
12. \$60.00 - Basic Last Will & Testament

***Estate Planning Portfolio** includes Revocable Living Trust, financial and medical powers of attorney, living wills, pour-over will, trust instruction and one item placed into trust (usually people chose their home property).

Certified Legal Document Preparer #80427

Public Speaker (same as topics)

Carol Aragon-Montgomery has over 16 years experience in the long term care planning field. Her experience has taken her from an eligibility interviewer with the Arizona Long Term Care System, to a Technical Specialist with a law firm, to a minority/woman-owned small business owner. She provides valuable information and has a knack for taking complicated information and putting it into laymen's terms. You'll want to invite her to your next meeting to share these topics with your clients, residents, employees, staff members, patients, or any group or organization that can benefit from these topics.

Her topics include presentations on all of the services mentioned in this flyer. There is a \$50.00 fee to cover the cost of presentation materials and gas, but the fee may be waived for large groups.



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**Let our umbrella of guidance shelter
you from the long term care cost storm!**



Montgomery & Associates, Inc. has been providing quality long term care planning services in the State of Arizona since 2001. Our planning focuses on Arizona's Medicaid Program, AHCCCS, its acute care, Medicare Cost-Sharing & ALTCS programs, the Veterans Administration programs that help pay for long term care, preparation of certain types of legal documents, mortgage debt reduction planning, and financial planning. We want you to know that you can count on us to be a valuable resource for these services.



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Happy Spring!

Please deliver to:
