

## ***NEWSLETTER JULY 2006***

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### **ALTCS POLICY UPDATES**

One additional change in ALTCS policy with regard to the Deficit Reduction Act of 2005 is that all Medicaid applicants who claim to be a citizen or a national of the United States must now verify both Identity and Citizenship. Effective July 1, 2006, all potential applicants and current recipients must provide either a primary verification for both identity and citizenship or a secondary verification for just citizenship AND a secondary verification for just identity.

If an applicant has any one of these: US Passport, US Naturalization Certificate, OR a Certificate of Citizenship, ALTCS will accept this as verification of both citizenship & identity.

If an applicant does not have one of those documents, they will be required to provide proof of citizenship & proof of identity from a secondary list of acceptable documents. Montgomery & Associates, Inc. can help clients research the rules to know which documents are acceptable to prove citizenship & identity.

### **JUST A REMINDER . . .**

People with Medicare who have limited income and resources can get extra help to pay some of their prescription costs. You automatically qualify for extra help with some of your Medicare Part D costs if you are eligible for AHCCCS. This extra help means that you:

- will not have to pay the monthly Part D premium if that plan's premium is less than \$24.62;
- will not have to meet the annual Part D deductible of \$250.00;
- will not have a Part D coverage gap between \$2250 and \$5100 of your annual prescription costs; and
- will have a \$1 or \$5 co-pay for each prescription drug. The co-pay for people in a nursing facility is \$0.

Every person who schedules a long term care consultation with Montgomery & Associates, Inc. is evaluated to determine if they qualify for this assistance and any of the other Medicare Cost-Sharing programs (QMB, SLMB, or QI-1) even if they don't qualify for ALTCS. Call 480/464.4968 to schedule your consultation today.

### **YEAR 2006 ALTCS/MCS GUIDELINES**

**^ UPDATED 07/01/06**

#### **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

**^ \$1650.00**—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**

**“ . . . Not too soon to start when we did. I feel blessed to have found Montgomery & Associates.”**

—The Fairless Family

**“You are always very responsive to my questions and “on-the-ball.” Having you guys around is worth every penny.”**

—The Hambleton family

**“We cannot thank you enough for your ongoing attention to detail & help over this long period. You have performed an outstanding service for which we will be eternally grateful.”**

—The Wickes Family

**“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

### **Am I Prepared for Long-Term-Care Expenses?**

The vast majority of Americans are not sufficiently prepared to face long-term care. They go through their lives reassuring themselves that they will probably never need it. Unfortunately, that’s simply not the case. A study by the U.S. Department of Health and Human Services indicates that people aged 65 face a 43 percent lifetime risk of entering a nursing home. About 21 percent may stay there five years or longer.<sup>1</sup> And the average cost of this care is \$64,200 per year.<sup>2</sup> Also, the odds that you will need some kind of long-term care **increase** as you get older.

#### **Self-Insurance as an Option**

To self-insure — that is, to bear the cost yourself — you must have sufficient income to pay the estimated \$64,200 or more per year for nursing-home costs. The cost of long-term care is not stable. It is rising with inflation and could exceed \$150,000 per year in the next 20 years.<sup>3</sup> Even if you have the resources to afford a \$64,200 yearly expense now, you may not be able to handle rising future costs without drastically altering your lifestyle.

#### **Long-Term-Care Insurance**

A long-term-care insurance policy enables you to transfer a portion of the economic liability of long-term care to an insurance company in exchange for regular premiums. Long-term-care insurance can pay for skilled, intermediate, and custodial nursing care. Some policies even pay for home health care. It can help protect your family from the potentially devastating cost of a long-term disability or chronic illness.

#### **Long-Term-Care Riders on Life Insurance**

A number of insurance companies have added long-term-care riders to several life insurance contracts. For an additional fee, these riders will provide a benefit — usually a percentage of the face value — to help cover the cost of long-term care.

Contact the author of this article, Jonathan Smith of Jonathan Smith Insurance, to evaluate all of your insurance and financial planning needs. Jonathan helps people manage, protect, and transfer wealth.

For more information: (623) 776-0558 or (888) 776-0554 OR  
[www.jonathansmithinsurance.com](http://www.jonathansmithinsurance.com).

#### Sources:

1. *2005 Field Guide*, The National Underwriter Company, 2005
2. The Federal Long-Term Care Insurance Program, 2005
3. Assumes 5% inflation over the 20-year period