

Could This Be You? Example of Immediate Medicaid Qualification



Jennifer (age 78) and Greg (age 80)

Jennifer and Greg have \$426,500 in countable assets.
Jennifer is in a Nursing Home.

Option 1: Spend down to \$2000 by privately paying for Jennifer's care at a cost of \$6,000 a month. Their assets will be depleted, at a minimum of \$72,000 a year for Jennifer's care. All of their hard-earned assets will be gone in just over 71 months.

Option 2: Convert assets in Omnibus Budget Reconciliation Act of 1993 (OBRA '93) Medicaid-compliant annuity. This will result in Jennifer's immediate eligibility for Medicaid in order to pay for long-term care, while providing Greg with sufficient income and resources to maintain his lifestyle.

Total Countable Assets:	\$426,500
Less Amount Greg is Allowed to Keep:	\$115,920
Balance Used To Purchase Annuity:	\$310,580

Federal law allows for a division of the assets at the time either spouse enters a nursing home.

Using \$310,580 to purchase an OBRA '93 Medicaid-compliant immediate annuity in Greg's name produces a total of \$4,320.00¹ of monthly income for 6 years. Jennifer is allowed to immediately qualify for Medicaid to pay for Nursing Home care.

The goal is to qualify the institutionalized spouse for immediate Medicaid eligibility in order to pay for long-term care, while providing the spouse with sufficient income and resources to maintain his or her lifestyle.

The scenario above is for example purposes only; amounts will vary based on individual circumstances and rates, which are subject to change.

Annuities are not (a) insured by the FDIC or any federal government agency, (b) deposits of or guaranteed by any bank or credit union, and (c) a provision or condition of any bank or credit union activity. Contact your financial advisor or elder law attorney for use of an immediate annuity for medicaid eligibility purposes.

Forms: Contract SPIA; Endorsement R-RES.

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May I Provide More Information?



InSource, Inc.

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**Planning Today Can Help
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You may accumulate funds in a deferred annuity from The Standard, and transition to a Medicaid-compliant immediate annuity in the future.

In all Medicaid planning scenarios, work with a qualified Elder Care Attorney. Availability and eligibility vary by state.

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