



Estate Planning for the ALZHEIMER'S AND DEMENTIA CLIENT

BY WAYNE WILSON

We're all fearful that our physical or mental health will someday cause us to require nursing home care. Many sources estimate that 60 to 70 percent of people who reach the age of 65 will require nursing home care at some point during their remaining lifetime. Those suffering from Alzheimer's or dementia have the added concern that they will be a burden on their families, both financially and

emotionally. They'll frequently require care and financial support for many years. While estate planners cannot eliminate the occurrence of Alzheimer's or dementia, they can greatly relieve the financial and emotional burden by developing a plan that will pay for the needed care.

Nursing home care in Wisconsin currently averages approximately

\$265 per day across the state, with higher costs where demand for resources is higher. The average cost translates to over \$8,000 per month, or over \$96,000 per year, and the question becomes, "How will I pay for this care?" The three most common methods of payment are using your own financial resources, obtaining Long-Term Care Insurance (LTCI), and relying on government programs.

Plan proactively. First determine if obtaining LTCI is an option. To qualify, the insurance company must determine that you meet underwriting guidelines, meaning that you must be healthy enough for the insurance company to accept your application. This generally means you must apply for LTCI while you are younger and before you have ambulatory or health issues. Moreover, the older you are when you obtain the coverage, the higher the premium cost.

If you do not qualify for LTCI and you have insufficient resources to pay \$8,000 per month or more for care, you should consider meeting with an attorney familiar with creating and funding a qualifying Medicaid irrevocable trust. Your house, farm, and investments can be protected

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through the use of this type of irrevocable trust, which is designed so that you can qualify for Medicaid while keeping your legacy inside the trust. The more commonly known revocable trust or revocable living trust, while a tremendous tool that can be used for most estate planning options, provides no protection from the requirement that your assets be used to pay for your long-term care needs. To qualify financially for Medicaid, an individual can have no more than \$2,000 of nonexempt assets.

For a married couple to qualify for Medicaid, the spouse in the nursing home can have no more than \$2,000 and the spouse at home is limited to approximately \$119,000 of nonexempt assets. The assets titled in the irrevocable trust do not count against these limits.

As with most things that sound too good to be true, there's a catch. The assets you wish to protect must have been placed into the irrevocable trust a minimum of five years before you apply for Medicaid. To take advantage of this type of planning, you must be proactive.

Do not procrastinate. Plan today!

Wayne Wilson is an Estate Planning Law Specialist, Accredited Estate Planner®, and partner at Wilson Law Group, LLC. Attorney Wilson serves families in the areas of general estate planning, wealth transfer strategies, estate and trust administration, planning for young families, and issues relating to the elderly. He is the coauthor of Your Life, Your Legacy (2009), Your Life, Your Legacy II (2010), and has written numerous published articles on various estate planning topics. wilsonlawgroup.com.



ALZHEIMER'S ASSOCIATION

**Living with Alzheimer's Series
 (For people with Alzheimer's)
 2820 Walton Commons W., Ste. 132
 Madison 53718
 (608) 203-8500
 bnuttkinson@alz.org
 alz.org/scwisc**

An interactive, three-part program designed to help people with the disease better understand Alzheimer's and memory loss.

ALZHEIMER'S & DEMENTIA ALLIANCE OF WISCONSIN: MEMORY CAFÉS

**(608) 232-3400 or (888) 308-6251
 alzwisc.org**

Individuals with memory loss, mild cognitive impairment, early Alzheimer's, and other dementias can come together in a relaxed environment to visit, share common interests, and enjoy refreshments. Seven (7) locations throughout Dane County and additional locations throughout south central Wisconsin.

ALZHEIMER'S & DEMENTIA ALLIANCE OF WISCONSIN: PROGRAMS

**(608) 232-3400 or (888) 308-6251
 alzwisc.org**

Crossing Bridges: Two- to four-week educational discussion group for people who have mild memory loss, are in the early stages of Alzheimer's disease or a related dementia, and the primary care partner/families.

Learning Among Friends: After completing Crossing Bridges, there is an opportunity for participants to continue to meet together regularly to discuss issues and concerns in their journey.

