

# “MIRING THROUGH THE CONFUSION OF MEDI-CAL ELIGIBILITY”

*By Mitchell A. Karasov, Esq.*

**Question:** My husband and I have been staying with my mom since my dad was transferred to a long term care center. When Medicare stopped paying, my mom had to dip into their IRA savings to cover the \$6,800 monthly bill. I urged her to apply for Medi-Cal, but she refused to discuss it because she believed my dad would be coming home soon. It's now a year later and my mom is worried sick that she will run out of money for his care. She's now on my case to fill out the Medi-Cal forms to get him covered right away. The care center social worker has been willing to help me, but she has told me I can only get coverage after the government approves our forms. In my research I found that I could apply for back coverage going all the way back to the beginning of my dad's transfer to the long term care center. I spoke with a financial advisor who has offered to help us with no charge to get the full Medi-Cal coverage along with veteran's benefits. He said the only option we have is to buy an annuity. I talked to a lawyer who told me our only option was to do an expensive trust that my mother can never change. Being told different things really has me confused. My instincts tell me I could be running into problems in dealing with any of these people and I'm afraid to file the Medi-Cal application on my own. I don't want to mess up, because my mom wants to make sure some money is left to take care of her. I feel terrible that I didn't push harder for this sooner. I hope you can help me make some sense of the predicament we are in.



**Answer:** Your concerns are on the mark. Based on the questions you have asked, I'd be concerned that if you did try to handle this on your own, you may put both your dad's eligibility and your parents' assets at risk. So that's my least favorite option.

As far as the professionals go, it concerns me that professionals are giving you only one option. It concerns me even more that none of them have given you a plan that would maximize your dad's Medi-Cal coverage and avoid or minimize reimbursement from your mom's estate without problems. The following should help clarify things:

The social worker was wrong about when Medi-Cal coverage begins. Your father might be eligible for up to three months of coverage. Although the social worker will help you for free, at a minimum you would have lost retroactive eligibility which could put about \$20,000 back in your mother's pocket. That doesn't include any other potentially costly errors, including future reimbursement.

The financial advisor's annuity might help with veteran's benefits, but those benefits wouldn't appear to be sufficient in this situation. Another problem is that the annuity does not help with retroactive Medi-Cal eligibility and the government may seek reimbursement against it in the future. In addition, the advisor is not addressing the issue of the house.

In my opinion, working with the lawyer is the correct choice to help you explore all the available options to protect your parent's estate for maximum Medi-Cal eligibility and from future government collection efforts. However, the irrevocable trust the lawyer said was your only option is not necessary for Medi-Cal eligibility. It might be an appropriate option to avoid reimbursement to Medi-Cal, but it is not the only option. In addition, these trusts are very costly and, in many cases, cumbersome. I would stick with hiring an attorney and would recommend you go with one that will explore every option your parents have available to them.

As for your feeling bad - there's no point in being hard on yourself or your mom about this. She is like the majority of seniors have a strong desire to be cared for in their own home. Every child would have a hard time not being supportive of this goal. As a result, many people are reluctant to even learn about coverage for long-term care costs outside of the home. At this point, you have to move forward to maximize your dad's Medi-Cal coverage and learn what options are available for your mother's future needs so you're not stuck in the same situation again. I wish you all the best.

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