

The Elderlaw Forum: Alzheimer's signals its arrival

by Professor Michael Myers

Alzheimer's signals its arrival. Its progressive breakdown of memory, personality and identity is observable. A spouse watches, grieves, and waits.

"My husband's Alzheimer's condition has reached a stage where I can no longer manage him. Soon I will have to take him to a nursing home. What can I expect? What will happen to me financially?" asked a senior legal helpline caller.

She is 74. He is 81. Each has four children from a previous marriage. They own a home valued at \$140,000. They have combined monthly Social Security income of \$1,300. He receives \$435 a month from a private pension. They have a "rainy-day" savings account of approximately \$14,000, a 2003 Buick sedan valued at \$9,500, a life insurance policy with a \$5,000 cash value and a \$50,000 death benefit, and a paid-up burial policy for both.

Here is what she can expect: The monthly cost of an Alzheimer's unit will approximate \$8,500 per month. He should immediately apply for Medicaid assistance and ask to be placed on a "Medicaid pending" status to avoid out-of-pocket payment for services rendered while the application is being processed.

There will be an "asset test" and an "income test." Their home will not be a "countable" asset, as long as she resides there. When she dies, or sells the home, the state will foreclose on its lien and recover its costs.

As the "well" or "community spouse" she can retain the entire \$14,000 joint savings account. The maximum spousal resource standard for 2007 is \$101,640. The minimum is \$20,328. Since their combined income is less than the \$1,560 monthly minimum income allowance permitted in her state for 2007, she will continue to receive their \$1,300 in monthly Social Security payments. Additionally, she may be able to receive a portion of her husband's pension.

The federal Medicare Catastrophic Act provides income protection through an annually-adjusted minimum monthly maintenance needs allowance and asset protection through an annually-adjusted community spouse resource allowance.

She will be able to retain their Buick car. Their burial policies will not be disturbed. The agency will likely regard the cash value of his life insurance policy as a countable asset. The test: If it can be converted to cash it is countable.

(Pro bono legal information and advice is available to persons 55 and older at 1-800-747-1895; mmyers@usd.edu. Opinions expressed herein are solely the author's and not those of the University of South Dakota).

The Elderlaw Forum: Alzheimer's signals its arrival by Professor_Michael_Myers