

ASK THE EXPERT

Enrolling in a pooled trust

The problem: My 94-year-old mother fell recently. She is back home with a costly full-time aide but will not consider a nursing home. She has some assets and \$1,750 in monthly income, but, at this rate, her assets will be exhausted in 18 months. Can she use a “pooled income trust”?

The expert: Andrew Ellsworth, elder law and estate attorney, Craco & Ellsworth, Llp, Huntington and Manhasset.

The strategy: Defray some costs that your mother is privately paying by qualifying her for community Medicaid and enrolling her in a pooled trust.

The rules: To qualify for community Medicaid, your mother must meet resource and income criteria. The 2008 community Medicaid resource level for a single person is \$4,350; the income level is \$725 a month.

How it works: To reduce excess resources, your mother can transfer some assets. Just be aware that while transfers won't affect her application for community Medicaid, they will likely have negative implications on her ability to qualify for nursing home Medicaid benefits, if she needs

them within five years.

Her income more than \$725 a month (called the “overage”) must be spent on medical services or contributed to a pooled income trust: A pooled income trust is a type of supplemental needs trust designed to assist people who have been approved for Medicaid with an overage. Anyone who is disabled may enroll in a pooled income trust. The individual files an application with an agency that administers pooled trusts, such as NYSARC, nysarc.org. After the individual is approved,

the pooled trust agency will send her instructions as to how to submit bills for payment. The pooled trust documents are then forwarded to the Medicaid agency, along with medical documentation, to establish disability.

The results: If your mother is approved, she will deposit her monthly overage in the trust and then will no longer have to spend her overage on medical services. Instead, her overage — less an administrative fee — can be used to pay her other bills, such as rent or mortgage and utilities.

— KAREN E. KLEIN

E-mail questions to

Karen@KarenEKlein.com



Attorney Andrew Ellsworth