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## Estate Planning Matters

# Updated Medicaid Figures For 2007

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You may recall from my past articles or from the issues of *Elder Law Today* how the Medicaid laws work for a married couple when one of them needs nursing home care.

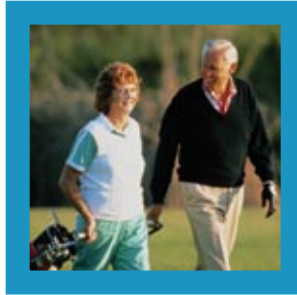
The Spousal Impoverishment Provisions of the law make it clear that the Medicaid program does not intend to impoverish one spouse because the other needs care in a nursing home.

Much of this is based on the spend-down of assets and what levels must be met before someone qualifies.

The law says that for a married couple, the at-home spouse is entitled to keep a minimum amount of money with no spend-down.

**The minimum spousal share effective January 1st, 2007, is \$20,328**

In addition, the nursing home spouse may keep \$2,000. In other words, for a couple with \$20,328 in countable assets (plus the small amount allotted to the nursing home spouse) there will be no spend-down.



The maximum spousal share has also been increased this year. This is the maximum amount that the at-home spouse is allowed to keep.

**For calendar year 2007, the maximum spousal share has been increased to \$101,640**

This means that if the couple has \$203,280 or more in countable assets, the at-home spouse will now be able to keep \$101,640.

The Medicaid laws also allow for a Minimum Monthly Maintenance Needs Allowance.

**The minimum allowance that the at-home spouse is allowed to keep in 2007 is \$1650**

Beginning Jan. 1, 2007, the Divestment Penalty Divisor will be \$4,800.

This penalty divisor is used in a formula to determine the sanction period that Medicaid can impose if a gift or transfers of assets are made prior to Medicaid qualification. For every \$4,800 that is transferred, a one month penalty is imposed.

For example, if an individual gifts a \$48,000 to her daughter, a ten month sanction period is created. Whether or not the sanction will affect her Medicaid qualification will depend on when the gift was made prior to the taking of a Medicaid application.

As you can see, the Medicaid laws and values constantly change. This is why it is always important to consult a Medicaid planning attorney before any action is taken to protect and preserve assets. Again, every situation and circumstance is different.

Therefore, it is essential to seek the advice of a professional.



*Jason Sutton, an Elder Law Attorney, is a member of the National Academy of Elder Law Attorneys, the North Carolina Bar Association, and the American Bar Association.*

*He advises seniors on methods, procedures, and techniques to legally preserve and protect their estate.*

*This is achieved by minimizing their estate tax burden, protecting their assets from high costs associated with estate administration and protecting their life savings and their family home from the cost of nursing home care.*

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