



# 2012 Brings Several New Laws That Affect Illinois Seniors

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**MEDICARE:** By now everyone knows that their monthly social security checks rose by 3.6%. The new year also brought an increase in Medicare Part B (Medical Insurance) premiums to \$99.90 for most Medicare beneficiaries. This premium is deducted from your social security deposit. Deductibles for hospitalization benefit periods also rose slightly.

The coinsurance amount for care in a skilled nursing facility rose to \$144.50 per day for days 21 through 100 each benefit period. If you have a Medicare supplement insurance these days are usually covered by your supplemental insurance.

**VETERAN'S BENEFITS:** Veterans or their spouses who receive Aid & Attendance benefits will also see a 3.6% raise in their monthly benefits. The 2012 maximum benefit amounts are as follows:

Surviving Spouse \$1,094/month

Veteran \$1,703/month

Married Veteran \$2,019/month

These benefits are paid monthly and are tax free and are available to pay for care in the home, at an assisted living facility or in a nursing home. If you are a veteran who served anywhere during a war time period or the widow of that veteran and could use some form of care or assistance as you age you should see a VA certified attorney to get this very valuable benefit that could last the rest of your life.

**MEDICAID:** The most drastic law changes affecting seniors occurred in the area of Medicaid. Medicaid is the payor for approximately half of all seniors in a skilled nursing facility. These new rules (80+ pages) are primarily designed to save money for the state and designed to make qualification for Medicaid more difficult for most IL seniors. Here are a few highlights of the major changes.

**LOOK BACK PERIOD EXTENDED:** The look back period on any asset transfers is extended from 36 months to 60 months. Transfers during these months will cause a penalty period once the applicant is “otherwise eligible.”

**PENALTY PERIOD START DATE:** Instead of starting the penalty for a transfer from the date of the gift (old law) the penalty will now start when the senior is “otherwise eligible.” Thus, the penalty would not be imposed until the senior is down to the asset limit (usually \$2,000) and medically in need of nursing home care.

**ANNUITIES:** Annuities will be treated as fully available assets unless they meet some very specific requirements. To put this in perspective over 100 companies can issue annuities but less than a dozen offer Medicaid qualified annuities. The state of Illinois must be named as a contingent beneficiary on any qualified annuity.

**PREPAID FUNERALS:** The exemption is increased to \$10,000 per person as long as it is irrevocably assigned to cover funeral related expenses or paid directly to a funeral home.

**HOMESTEAD EXEMPTION:** The homestead equity cap is now \$750,000 to be adjusted annually for inflation. While this was not typically affect most people in our area it can mean a lot to area farmers.

There are a number of other rule changes but these are the most significant affecting a greater number of people. There are still a number of planning techniques available to help a family protect and extend their assets for the rest of their lives. An elder law attorney familiar with the new Medicaid rules and VA Benefits rules can help you navigate this very tricky area of law.

*(The author, Richard W. Gibson, is the principal attorney with Common Sense Elder Law. His law firm helps veterans and non-veteran seniors qualify for benefits to pay for long term care while protecting as much of their assets and income as possible under the new qualification rules. His office is in Wood River, Illinois and he can be reached at (618) 251-3300.)*