



Medicaid Compliant Annuity Case Study

for a Married Couple

The Problem

Bob entered a long-term care facility a few months ago, and his wife Carol is concerned the high monthly bill will soon drain their entire nest egg. Unfortunately, Carol and Bob have about \$200,000 in excess countable assets preventing Bob from qualifying for Medicaid. If they do nothing, the couple risks draining their savings in less than two years.

The Solution

Carol works with her elder law attorney to spend down their excess assets using a Medicaid Compliant Annuity (MCA).

Because the MCA has no cash value, the couple's excess assets are eliminated for Medicaid purposes, and Bob is able to qualify for Medicaid benefits. With the monthly MCA payments, Carol's monthly income increases to \$6,300, allowing her to maintain her livelihood at home and preserve a legacy for their children.

The Results

By using a Medicaid Compliant Annuity, Bob and Carol were able to preserve 100% of their at-risk assets, while immediately qualifying Bob for Medicaid benefits to cover the cost of the long-term care facility. Carol is able to supplement her income and ensure she can maintain her lifestyle in the community. Plus, as Carol receives the annuity payments, she can keep the funds beyond her original Medicaid resource limit and put those dollars back to work.

Cost of Care:	\$9,000/mo.
Assets at Risk:	\$200,000
Bob's Income:	\$2,300/mo.
Carol's Income:	\$2,100/mo.

Annuity Premium:	\$200,000
Contract Term:	48 months
Monthly Payment to Carol:	\$4,200

- ✓ 100% savings of assets at risk
- ✓ Immediate Medicaid eligibility
- ✓ Spouse avoids impoverishment



For more information about using a Medicaid Compliant Annuity, talk to your attorney.



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