

What Is a Medicaid Compliant Annuity?

A Medicaid Compliant Annuity (MCA) is a powerful crisis planning tool that allows you to preserve your life savings and qualify for Medicaid benefits to cover the high cost of long-term care.

How Does an MCA Work?

Since Medicaid has such strict financial requirements, most individuals do not automatically qualify. In fact, most are ineligible due to having too many assets. Plus, Medicaid penalizes applicants who simply give away their assets in order to qualify. That's where a Medicaid Compliant Annuity comes in.

By using an MCA, you can convert those excess countable resources into an income stream, effectively removing them from Medicaid's consideration. However, the contract must be specifically structured to meet Medicaid guidelines. The requirements of an MCA include irrevocability, which means the contract cannot be changed or cancelled once it's purchased. Additionally, the state Medicaid agency must typically be named primary beneficiary, though there can be exceptions to this. The state can only recover up to the amount of Medicaid benefits expended on the applicant's behalf.

The Benefits of Using an MCA

- ✓ Protects your nest egg from being drained on long-term care costs
- ✓ Immediate or faster qualification for Medicaid benefits compared to doing no planning
- ✓ Provides a supportive income stream to the healthy spouse

- ✓ Customizable strategies and terms based on each situation
- ✓ Designed to meet all Medicaid requirements
- ✓ Delivers a solution to people in crisis long-term care scenarios

When to Use an MCA

An MCA is designed for individuals or couples who are facing high nursing home costs. This tool is ideal for those who:

- ✓ Currently reside in or are about to enter a nursing home
- ✓ Are expected to remain in a care facility indefinitely
- ✓ Have exhausted all Medicare or long-term care insurance benefits
- ✓ Are paying out of pocket for care
- ✓ Have excess countable resources preventing them from qualifying for Medicaid

Working with an Elder Law Attorney

Medicaid rules are complex, and a misstep can result in penalties or disqualification from benefits. That's why it's crucial to work with an elder law attorney when using an MCA. They understand the intricacies of Medicaid eligibility and can ensure the MCA is structured correctly to protect assets while complying with state and federal regulations.



For more information about Medicaid Compliant Annuities, speak with your attorney.



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