

# LONG-TERM CARE PLANNING IN NEW YORK

*By Including Long-Term Care Planning Strategies  
in Your Overall Estate Plan You Can Prevent the Loss  
of Assets and Ensure that You Will be Well Cared  
for During Your Golden Years*



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SERVING NASSAU COUNTY, SUFFOLK COUNTY, AND WESTCHESTER COUNTY

Estate planning can be used to achieve a wide variety of goals and objectives beyond providing the framework for the division of your estate assets upon your death. One common addition to a comprehensive estate plan is long-term care planning. As the average life expectancy of an American inches closer and closer to the century mark, your odds of spending time in a long-term care facility during your golden years also increases. Without careful long-term care planning, your life's savings can be wiped out in the blink of an eye. The good news is that by including long-term care planning strategies in your overall estate plan you can prevent the loss of assets and ensure that you will be well cared for during your golden years.

## **AGING BY THE NUMBERS**



Most people take the time to plan for their retirement to ensure that they have sufficient funds to carry them through their golden years; however, people often fail to factor in the odds of needing long-term care.

To put things in perspective, consider some of the following facts and figures:

- **81 years** – average life expectancy of an American female
- **76 years** – average life expectancy of an American male
- **19.4 million** – estimated number of people over the age of 85 in the U.S. in 2050
- **10 million** – number of people who needed long-term care in 2000
- **27 million** – the estimated number of people who will need long-term care in 2050
- **70 percent** – the percentage of people turning 65 who will go on to need long-term care at some point in their life
- **67 seconds** – how often someone in the U.S. develops Alzheimer's disease
- **1 in 3** – number of seniors who die with Alzheimer's or another dementia disease
- **15.5 million** – number of caregivers who gave care to someone with dementia in 2013
- **40 percent** – percentage of older patients needing long-term care who are at, or below, the federal poverty level.
- **\$137,076** – average cost of a year stay at a New York City nursing home
- **2.5 years** – average length of a stay in a long-term care facility
- **\$1,844 - \$4,176** – annual premium for a long-term care policy in New York if purchased at age 40. (cost depends on benefits)
- **\$2,856 - \$5,310** – annual premium for a long-term care policy in New York if purchased at age 60.

## PAYING FOR LONG-TERM CARE



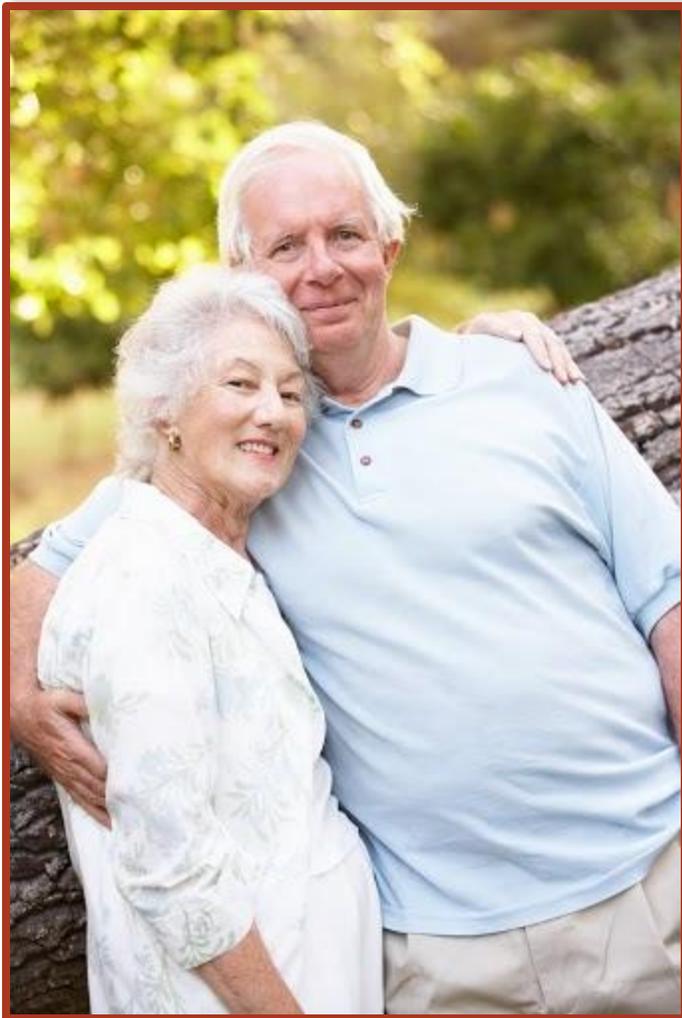
People frequently make the costly mistake of assuming they have long-term care coverage when, in fact, they do not. Most private health insurance plans do not cover the costs associated with long-term care for any substantial length of time. Moreover, most employer sponsored health insurance terminates when the employees reaches retirement age. Don't count on Medicare to cover long-term care costs either. The Medicare program only covers long-term care costs under very limited

circumstances, and then only for a very short period of time. For most people, that leaves three options:

- Paying out of pocket
- Purchasing a long-term care insurance policy
- Qualifying for Medicaid

At an average yearly cost of over \$100,000 in New York and an average stay of 2.5 years, paying out of pocket will deplete the

average retiree's nest egg rapidly. Long-term care insurance is a wonderful option for those who can afford the premiums. Most people are not thinking about long-term care insurance at age 40 when the annual premiums are still reasonable. By age 60, the



premiums are typically too high for the average retiree to pay on a fixed budget.

Moreover, long-term care insurance doesn't always cover all the costs of care. If you do choose to purchase long-term care insurance be sure to ask your estate planning attorney to read through the policy to ensure that it will provide the coverage you need when you need it.

For most seniors, the only realistic option is to qualify for Medicaid. Unlike Medicare, the Medicaid program does cover long-term care costs.

## QUALIFYING FOR MEDICAID – WHY MEDICAID PLANNING IS NECESSARY



Although the Medicaid program covers long-term care costs, an applicant must first be approved for benefits. Medicaid is a joint federal and state program which is primarily funded by the federal government but is administered at the state level.

As a result, both the eligibility criteria and the benefits available can vary from state to state. In all states, however, an applicant must meet asset and income guidelines to qualify. These limits are typically very low.

For 2014, an applicant applying in the State of New York who is still living in the community cannot have income that exceeds \$809 a month (plus and unearned income credit of \$20 per month). A couple living in the community who are both receiving Medicaid cannot have income over \$1,192 per month. An individual applicant's countable resources cannot exceed \$14,550 while a couple's resources cannot exceed \$21,450.

*Transferring assets out of your name when you realize you need to qualify for Medicaid isn't a solution because Medicaid uses a five year "look-back" period when evaluating applications for benefits. In essence, any asset transfers that occurred during the "look-back" period will likely be treated as though they never happened and the value of the asset imputed back into the applicant's estate. In short, without careful planning you could lose valuable assets if you suddenly need to qualify for Medicaid because you need long-term care coverage.*

## **MEDICAID PLANNING**

The good news is that by including Medicaid planning in your overall estate plan from an early enough age you can protect your hard earned assets and still qualify for Medicaid benefits when you need them. There are perfectly legal strategies that can be incorporated into your estate plan to accomplish these goals. As a general rule, the earlier you begin Medicaid planning the more effective your plan will be; however, if you suddenly find that you, your spouse, or a parent unexpectedly needs to qualify for Medicaid it may

not be too late to protect some assets and still qualify for benefits. It may be possible, for instance, to shift assets around so that countable assets become non-countable assets.

The key is to consult with your estate planning attorney early on and often throughout your lifetime to ensure that your hard earned assets are protected should you need long-term care during your golden years.

New York State, [Partnership for Long-Term Care](#)

Family Care Alliance, [Selected Long-Term Care Statistics](#)

LongTermCare.gov, [LTC Path Finder](#)

National Care Planning Council, [Guide to Long Term Care Planning](#)

Mayo Clinic, [Long Term Care: Early Planning Pays Off](#)

Alz.org., [Alzheimer's Facts and Figures](#)

## About the Attorneys



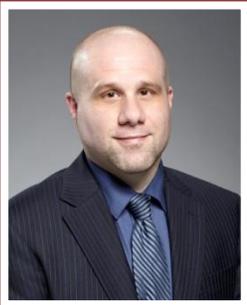
### **Saul Kobrick**

Saul Kobrick is an attorney licensed to practice law in the State of New York and the owner, senior partner and founder of The Law Offices of Kobrick & Moccia. Mr. Kobrick is licensed to practice law in all courts of New York State, as well as in the Federal District Courts for the Southern and Eastern Districts of New York. He is a member of the New York State Bar Association as well as a member of the American

Academy Estate Planning Attorneys. Mr. Kobrick is also a member of the National Academy of Elder Law Attorneys.

### **Experience**

Prior to founding his Garden City Law Firm in 1992, Mr. Kobrick has for many years, practiced law both as a Sole Practitioner, and in partnership in New York City. His practice focuses on elder law, wills, trusts and estate planning. Mr. Kobrick provides quality Estate Planning and Elder Law services to residents of Nassau County, Westchester County and Suffolk County.



### **Anthony M. Moccia**

Anthony M. Moccia is an attorney licensed to practice law in the State of New York and Partner of The Law Offices of Kobrick & Moccia. Mr. Moccia is licensed to practice law in all courts of New York State, as well as in the Federal District Courts for the Southern and Eastern Districts of New York. He is a member of the New York State Bar Association.

### **Experience**

Mr. Moccia joined the Law Firm in 2006. As a law clerk and became partner in January of 2015. Mr. Moccia speaks regularly to residents of Nassau County, Suffolk County, and Westchester County about estate planning, wills, trusts, and Medicaid planning.

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