



# Long-Term Health Care Planning

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## Agricultural Business Management

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### Introduction:

Long-term health care has become a major issue for farm families who want to transition the farm business to the next generation. A long-term health care plan is essential as part of the estate plan to insure the business transitions as the family desires. Long-term care costs have skyrocketed. Without a plan, the farm business is facing a potentially huge financial risk due to the cost of long-term care. A risk far greater than any tax issue.

Long-term care includes a wide range of care options. Those include care given in the home by a family member or home health care aid, assisted living, congregate care and groups homes and nursing home.

This informational document outlines what long-term care is, the statistics around the probability of needing long-term care, some of the terms involved, an explanation of the federal Medicare and Medicaid program qualification guidelines, methods of paying for long-term care and the long-term care partnership program.

Each individual has to decide how they will deal with long-term health care costs if the need arises. This is a personal choice and every individual has a different set of circumstances. ***The information in this document is not meant to imply one choice over another - that is, whether one should shelter their assets and go onto Medicaid if at all possible OR one should pay their own long-term care costs. The information contained herein is to simply outline the rules around how the various programs work, to dispel misconceptions about the various programs available, and to outline some ideas to help you think about long-term health care planning.***

### Long-Term Care Defined:

#### Insurance definition:

Long-term care designation for insurance purposes means an individual is certified chronically ill by a physician for a period of at least 90 days. Being chronically ill means requiring assistance with at least two of the six Activities of Daily Living (ADL).

The ADL include bathing, dressing, eating, toileting, transfer (mobility), and continence, in that order.

#### Medicaid definition:

Within Medicaid there are several programs, one of which covers long term health care costs for individuals with limited resources and means.

Medicaid or as it is referred to in MN - Medical Assistance (MA), is a federal program designed to aide individuals with limit resources. It is administered through the Department of Human Services (DHS). Beginning January 1, 2015 new guidelines for MA nursing home care qualification, called Nursing Facility Level of Care criteria, will begin. In order for an individual to qualify for MA for nursing home care they will have to qualify for one of the NF LOC criteria. The criteria are as follows:

- 1-need for formal clinical monitoring at least once per day, OR
- 2-dependency in or help with at least four of the six Activities of Daily Living, OR
- 3-need the assistance of another person or constant supervision to begin & complete toileting, transferring or positioning & the assistance can not be scheduled, OR
- 4-significant difficulty with memory, using information, decision making or behavioral needs requiring intervention, OR
- 5-person has had a qualified nursing facility stay at least 90 days, OR
- 6-person meets the NF LOC criteria determined 90 days after admission or on the first quarterly assessment after admission whichever is later, OR
- 7-the person does or would live alone **AND** has had a fall resulting in a fracture in the last 12 months, is at risk of malnutrition or neglect, or has sensory impairment (hearing, sight, etc.).

Not qualifying for the one of the NF LOC criteria could mean the individual would remain in their home for care. There have been established a number of Essential Community Supports (ECS)

programs to help with this. If this is an issue for your family, seek the help of an elder law attorney.

### **Probability of Needing Long-Term Care:**

According to several federal governmental agencies and insurance companies, the actual risk for needing long-term care is greater than 50%. If you have a spouse, overall risk of one partner needing long-term care is greater than 65%.

Currently 1 in 2 Americans, over the age of 65, will have an extended nursing home stay (does not include any type of home stay). Also, 1 in 10 Americans over the age of 65 will have a nursing home stay of more than 5 years. The average nursing home stay is 2 1/2 to 3 years. Of those folks currently receiving long-term health care, 40% are under the age of 65.

### **Home Care:**

Data for the length of time care is provided in an individual's home shows the following:

- 32% needing care → less than 1 year
- 26% needing care → 1-2 years
- 18% needing care → 3-7 years
- 24% needing care → 8+ years

For family members who delivered the care in their home, a total of 42% of the caregivers report the care recipient resided in the home for a period of 3 years or more.

For the caregiver who delivers care in their home, their immune systems ability to fight disease decreases 18% on average. The caregiver's life expectancy decreases by 3 - 4 years on average. The number one health issue of caregivers is depression.

### **Long-Term Care Terms:**

**Long-term Care:** Includes a wide range of care from in-home care to the nursing home.

**Medicare:** Is the federal health insurance program for people who are age 65 or older, disabled, blind, or have permanent kidney failure.

**Medicaid:** a federal program, known as Medical Assistance (MA) in Minnesota, which provides health care payments for needy people. The program is administered by each county human services department.

**Long-Term Care Spouse:** referred to as the Institutionalized Spouse (IS). This person may or

may not be married to a CS and resides in a long-term health care facility. They may or may not be receiving MA payments.

**Community Spouse (CS):** person/spouse who does not reside in a long-term care facility or receive services through a waiver program and is married to a long-term care spouse.

**Medical Assistance – Long-Term Care (MA-LTC):** This is the Medicaid (MA) program that pays only for custodial/skilled long-term care stay costs.

**Elderly Waiver (MA-EW):** This is the Medicaid (MA) program that pays for assisted living, group residential and home care.

### **Long-Term Care Costs:**

Long-term care costs are based upon level of care and the care facility. Listed here are current annual cost ranges by facility and care level for Minnesota.

- Home Health Aide: \$48,000 to \$60,000
- Assisted Living: \$36,000 to \$46,000
- Nursing Home:
  - Semi-private: \$80,000 to \$90,000
  - Private room: \$90,000 to \$100,000

### **Medicare:**

Medicare is a federal health care program that Americans qualify for at age 65. It is not intended to pay for long-term custodial health care.

Medicare will pay for a portion of a nursing home stay **IF** the individual is admitted to the hospital, has a minimum of a 3 day stay in the hospital and enters the nursing home for skilled care within a short period of time (usually 30 days) following the hospital stay. If these rules are met, Medicare will pay for the first 20 days 100 percent. Medicare will pay for days 21-100 except for the daily co-pay which changes periodically. When day 101 arrives Medicare stops paying.

The nursing home must be a Medicare approved nursing home. All nursing homes in Minnesota qualify. However, if you winter in another state or retire in another state, that may not be the case. On average, 48% of nursing homes in other states are not Medicare approved.

The nursing home stay must be for doctor ordered recuperative care, the patient must be receiving skilled care. If not, Medicare payment will stop and the patient will have to self-pay for any additional time in the nursing home. If the doctor ceases to

order care, Medicare will stop paying. Bottom line, Medicare will not pay for an extended long-term health care facility stay.

### **Veterans Benefits:**

To qualify for VA benefits you must often meet specific asset and income requirements much like Medicaid. You must have wartime service of at least 90 days and 1 day of war time to qualify. **Note:** wartime service dates are determined by Congress, not by actual dates of a war. In addition, you must have a service connected (SC) disability to qualify.

To be placed in a VA Community Living Center (VA Nursing home) you would require nursing home care for a service connected disability and are rated as having a 60% SC disability and unemployable and requiring nursing home care for your disability **OR** you have a combined SC disability percentage of 70% or more and require nursing home care for the condition.

A second alternative would be placement in a contract nursing home based upon space and availability.

This is a very complex area and proper planning must be done to qualify. See an attorney versed in MA and long-term care issues as well as your county veteran services officer.

### **Medicaid:**

Medicaid or Medical Assistance (MA) as it is referred to in Minnesota, is a program that assists with health care payments for the needy. MA pays for custodial/skilled long-term care stays in qualified facilities.

For MA eligibility there is a state residency requirement. The applicant must be living in the state with the intent to remain permanently or for an indefinite period of time or living in the state with a job commitment or seeking employment whether or not currently employed. In addition, the person cannot be maintaining a home outside the state. Categorical eligibility states a qualified person must be over age 65, blind, or disabled.

Medicaid rules also include asset limits, asset categories, spend down rules, CS resource allowance rules, income rules, asset recovery rules and gifting and asset transfer rules. Each will be discussed in the following section of this document.

### **Asset Limits:**

An individual applying for MA in MN cannot own more than \$3,000 of assets plus a pre-paid burial (**if structured correctly**) in order to qualify for MA benefits. For couples the asset limit is \$6,000 plus a pre-paid burial for each. Assets in excess of the \$3,000 per person are subject to spend down rules discussed later.

### **Asset Categories:**

Due to 2016 MN legislative action, MA has done away with what was referred to as the asset assessment process. The process required applicants to list all their assets with a Fair Market Value (FMV) for each asset. However, if you plan to apply for MA it would be advisable to work with an elder law attorney. Completing a list of all assets and their FMV will be of value to the attorney to determine how to title assets and to decide what issues need to be dealt with prior to application.

Upon application for MA, DHS will classify your assets into two categories: Available and Unavailable. The available assets will be subject to spend down rules while unavailable assets are not unless the CS either enters the nursing home and applies for MA or the CS dies. At either of those times the unavailable assets become available assets.

**Available Assets** are assets that are counted against the asset limit (\$3,000 per person in MN) when establishing eligibility. These assets are deemed available to pay for long-term care costs. Available assets include:

- All cash accounts regardless of ownership (does not matter if the account is in one spouses name only and prenuptial agreements have no bearing on this) .
- Jointly owned cash accounts (with someone other than your spouse) unless the contribution by the joint owner can be proven.
- Any investments accounts, stocks, bonds, CDs, etc. owned by either spouse.
- Life insurance in excess of \$1,500 cash value.
- Boats, motor-homes, camping trailers, other tilted vehicles except one vehicle of any value.
- Non-homestead real estate (farm land non-contiguous to the building site, cabin, timeshare, retail business, etc.).

- Pensions that can be taken in a lump sum payment.
- Most trusts in which the MA-LTC applicant has an interest.
- Any personal property purchased for investment purposes (stamps, guns, coins, jewelry etc.).

Unavailable Assets are assets that are disregarded and not subject to asset limits at the time of MA application unless there is no spouse, assets are sold, or converted. Unavailable assets include:

- Primary residence. The rules here are that the CS resides in residence **or** certain family members reside in the home **or** there is a physician's statement verifying the IS **will** eventually return to the residence.
- All **contiguous land** to the primary residence, buildings & improvements, machinery, livestock, etc. The rules here are that the CS has to reside on the farm and be actively farming. Land separated by a road or railroad right-of-way, a stream or river, drainage ditch, etc. are considered contiguous.
- All household goods.
- One vehicle of any value.
- Personal property that has cultural or religious significance.
- Income producing assets to meet the CS allowance or business property.
- Life insurance with less than \$1,500 of cash value.
- Gifted assets that have survived the 60 month look-back period.
- Qualified irrevocable pre-paid burial if structured correctly.
- Some jointly held assets if owned with someone other than spouse – claim may be filed on property when the applicant qualifies for MA.

- Life Estate if established **before** August 1, 2003.
- Irrevocable Trusts established **prior to July 1, 2005** and grantor has no control over trust assets.
- Current litigation **may allow** Irrevocable Trusts established **on or after** July 1, 2005 and 60 months has passed before applying for MA. As of this writing that is not the case.

**Asset Spend-Down Rules:**

To qualify for MA, the applicant cannot own more than \$3,000 worth of assets plus a qualified pre-paid burial. If the applicant has assets in excess of those amounts and wants to qualify for MA, they must spend down (liquidate) those assets to no more than \$3,000 to qualify.

In the following example, John and Jane are still farming. John had a major health issue and is forced to enter the nursing home. As mentioned previously, it is advisable to work with an elder law attorney and to develop a list of all assets plus their FMV to aid the attorney. Following is an example:

Assets	Fair Market Value
House (contiguous to land)	\$200,000
Farm Land: (contiguous)	\$1,728,000
Farmland: (not contiguous)	\$288,000
Buildings/Improvements	\$275,000
Machinery	\$495,000
Cabin	\$100,000
Joint Checking	\$3,600
Joint Savings	\$28,640
John's IRA	\$120,000
Jane's 401K	\$81,000
Jane's Car	\$26,000
John's Car	\$8,000
John's Boat	\$4,000
Pre-paid Burial (each)	\$24,000
<b>Total Assets</b>	<b>\$3,381,240</b>

When making application for MA, DHS will classify assets into available and unavailable. We are assuming in this example that Jane will remain on the farm and operate the farm. Following is the classification results from DHS.

Available Assets	Unavailable Assets
Farmland: not contiguous \$288,000	House \$200,000
Cabin \$100,000	Contiguous Farm Land \$1,728,000
Joint Checking \$3,600	Buildings \$275,000
Joint Savings \$28,640	Machinery \$495,000
John's IRA \$120,000	Jane's Car \$26,000
Jane's 401K \$81,000	Pre-paid Burial \$24,000
John's Car \$8,000	
John's Boat \$4,000	
<b>\$633,240</b>	<b>\$2,748,000</b>

The farm land acres that are an unavailable asset have to be contiguous to one another and the farm site. The farm land, buildings and machinery in this example are all excluded assets as well because Jane plans to continue farming. If she were to die before John dies or she enters the nursing home, all the assets on her side of the ledger will become available assets.

### Resource Allowance Rules:

Next, Jane being the CS, she is allowed by MA rules go keep the maximum CS asset resource allowance which for 2017 is \$120,900 (this number changes Jan. 1 of each year). Therefore Jane is going to keep the cabin, joint checking account, as much of the joint savings account as she can and the boat in this example. Those items total the resource allowance of \$120,900 shown in the next table.

Available Assets	Unavailable Assets
Farmland: not contiguous \$288,000	House \$200,000
Joint Savings \$15,340	Contiguous Farm Land \$1,728,000
John's IRA \$120,000	Buildings \$275,000
Jane's 401K \$81,000	Machinery \$495,000
John's Car \$8,000	Jane's Car \$26,000
	Pre-paid Burial \$24,000
	Cabin \$100,000
	Joint Checking \$3,600
	Joint Savings \$13,300
	John's Boat \$4,000
<b>\$512,340</b>	<b>\$2,868,900</b>

Lastly, for John to qualify for MA in MN, he would have to **spend down** or liquidate the \$512,340 on his side of the ledger to no more than \$3,000. Owning more than \$3,000 of assets would make John ineligible for MA in MN. Once he has completed the spend down he would be eligible for MA.

**Additional Points:** 1-Once the IS is qualified for MA, the CS cannot gift away any assets or sell any assets for less than FMV (uncompensated transfer). If either occur, the IS will be ineligible for MA for a period of time. 2-The unavailable assets remain unavailable until the CS dies or enters the nursing home upon which the assets then become available assets. If the IS spouse is still in the nursing home, they receive credit for the now available assets and are then ineligible for MA until the new available assets are spent down to the \$3,000 amount. 3-In the example Jane could submit what is referred to as a hardship waiver and try to keep the non-contiguous land and her 401K. However, the county DHS would rule on those requests and they may not be granted.

Having to spend down a large amount of assets places the farm family and the farm business at huge financial risk. The result could mean the farm business can no longer continue.

### Income Rules:

The CS under current MA rules is allowed to keep all the income in their name only. The minimum MA income allowance for the CS in 2017 is \$2,005 per month. This can increase to \$3,022.50 if proof of higher living costs can be shown. If the CS's income does not reach the minimum amount, the CS is then allowed to keep an additional amount of the IS income producing assets necessary to reach the minimum amount. This qualified income level changes each year. Every couple or person's situation is different.

In the John and Jane example, the farm income would be divided equally between John and Jane because they file a joint tax return. If that income added to any other income Jane has, meets or exceeds the qualified income amount for Jane, she gets to keep the income. John's share of the income, minus a small monthly allowance (\$97 for 2017), goes to pay for his long-term health care costs. If John's income falls short of his total long-term care costs **and** he qualifies for MA through the spend down process, the MA program would pay for the short fall.

### Asset Recovery:

When John qualifies for MA, DHS may file liens on non-homestead property. Upon the death of the second spouse, DHS may file a claim against all homestead property in order to recover assets equal to the amount of benefits paid for one or both spouse. **Note:** DHS cannot recover assets until both spouses have died. See an elder law attorney.

### Gifts & Transfer of Assets:

A huge misconception of many people is that if I give away all my assets before I have to go into the nursing home, the assets will be protected and I can go onto MA. That is not true in MN and many other states as well. The Deficit Reduction Act of 2005 passed into law changes the rules for MA.

One change was the look-back period for gifting when applying for MA. When applying for MA, you need to disclose any and all gifts given within 60 months of the date of application. A gift includes the obvious outright gift but also includes a sale of assets for less than fair market value FMV - this is referred to as an uncompensated transfer. The difference between the FMV and the sale price constitutes the amount of the gift.

Let's assume Sarah had made a gift 38 months before going into the nursing home and applying for MA. Sarah would have to disclose the gift. The DHS case worker would divide the amount of the gift by what is referred to as the Statewide Average Payment to Skilled Nursing Facility (SAPSNF). This is MN's estimate of the average cost of a one month stay in the nursing home. The number changes every year on July 1. The result of that calculation would be the number of months Sarah would be ineligible for the federal MA program.

In addition to the look-back period change, the Deficit Reduction Act of 2005 also changed the point in time when the penalty period begins. Under the old rules, you may have had a penalty but it started the minute you entered the nursing home. If you had sufficient assets, you could pay your own way in the nursing home until the penalty ran out and you had spent down your assets to no more than \$3,000 in MN. At that time you would qualify for MA. Under the new rules, if you have a penalty and you entered the nursing home, you would have to spend down your assets to no more than \$3,000 and then the penalty period begins. Once the penalty period ends, you can apply for MA. The problem with the new rule is you are facing a penalty period where you have to pay your own long-term care costs but you have spent down your assets to no more than \$3,000 in MN.

Bottom line is that doing no planning and relying on MA for your long-term health care costs will not work unless you plan to spend down your assets. This could mean liquidating the farm business you wish to transition to the next generation. Seek the help of a qualified elder law attorney if you think MA is going to be an issue for you.

### Financing Long-Term Health Care:

As described, Medicare does not pay for extended long-term health care costs. To qualify for MA, you have to spend down a considerable amount of assets in addition to abiding by income, asset gifting and transfer rules and asset recovery rules. Your medical insurance and disability insurance will not pay for you long-term health care costs. There are, however, other options for financing your long-term health care costs. Those choices include family care, self-insure, self-pay, gift away all assets to a child for example and wait 60 months to apply for MA, or purchasing long-term care insurance.

#### Family care:

Discussed earlier in this document are the issues and challenges of family care. In addition to the toll on the caregiver's health and the costs to family finances, there are fewer children residing near family members who may need long-term care. There are more women in the workforce and they have tended to be the caregiver in the past. Divorce is a huge issue making it difficult to care for parents. Lastly, people are living longer so care is required for a greater length of time. All these issues can make family care a less than desirable option for many families.

#### Self-Insure:

To self-insure means to set aside enough money to pay for your long-term health care if needed. There are at least three issues here. One, where is the money going to come from? It no doubt means liquidating assets. Two, how much money am I going to need? The average stay in a nursing home is 2 ½ to 3 years. However, there is on record a person in MN spending 29 years in the nursing home due to Alzheimer's disease. Three, what is my backup plan if I run out of money?

#### Self-Pay:

To self-pay means paying your own expenses for long-term health care. Unless you have substantial assets other than the farm business assets, to self-pay is to place your farm business at risk. In addition, this method can place strain on family relationships and finances as well.

#### Gift all Assets to Someone & Wait 60 Months:

This approach involves gifting all your assets, except for \$3,000 and a pre-paid burial if structured correctly, to perhaps one of your children for

example and then relying on them to pay all your living expenses for 60 months. If, after that time, you need to apply for MA because of long term care needs you can do so and qualify. This approach is an option but may not be very feasible.

### Long-Term Care Insurance (LTCI):

Purchasing long-term care insurance (LTCI) is a method of paying any long-term care costs. There are two basic types of LTCI - standard and hybrid policies. Standard LTCI pays strictly for long-term care costs. Hybrid LTCI is a new product that combines life insurance with the ability to pay for long-term health care costs out of the life insurance death benefit.

When purchasing LTCI you will need to make some decisions regarding the type of coverage. Items include the number of years of coverage, the length of the elimination period or the time before the insurance starts to pay, inflation protection, the facilities you want covered in the policy, the payoff period, etc. This should be done in consultation with your insurance agent.

If you plan to pursue checking into LTCI, there are a number of items you need to gather before going to meet with your insurance agent. Those items include:

- Date of birth.
- Any and all health conditions in the past 10 years.
- Any hospital stays in the past 10 years and if so, for what reason.
- Medications: drug name and dosage (amount and frequency).
- Current height and weight.
- Current/past tobacco use.

It will take two or three visits with your insurance agent before you are ready to sign the insurance agreement. It may be in your best interest to evaluate several insurance company policy offerings. Many times this can be done through a single insurance agent. The key is to ask lots of questions before you make a decision. Be sure you know what you are buying and that you understand all aspects of the insurance policy.

Be clear about your long term care goals and what coverage you want before making a decision. That is, do you want the insurance to pay for nursing home care only or do you want coverage for home care, congregate care, assisted living and the nursing home. Know what you want and what you are buying.

Also, buying long term care insurance is an issue of health rather than an issue of age. That means if it is part of your business transition and estate planning buy it while you are insurable. Don't wait until you become uninsurable waiting to turn say 55 or 60 years old.

### Long-Term Care Partnership Program:

As part of the Deficit Reduction Act of 2005 signed into law on Feb. 8, 2006, a program referred to as the Long-Term Care Partnership Program was authorized. MN as well as several other states have enacted the program as well.

If you purchase a long-term care insurance policy that qualifies for the Long-Term Care Partnership Program, the insurance will pay for your long-term care costs while protecting an equal amount of assets from MA spend down, in the event you have to apply.

Example: Helen is currently 58. She purchases a qualified Long-Term Care Partnership program policy with 5 years coverage worth \$922,337 pay-out in 20 years. Helen enters the nursing home in 20 years and starts using the LTCI and eventually uses up the pay-out amount. Her daughter goes to DHS and applies for MA. The case worker notes that Helen had a qualified Long-Term Care Partnership Program policy worth the \$922,337. Helen's only asset is farm land worth \$1.95 million. Because Helen purchased the qualified LTCI policy, \$922,337 of the farm land value is protected from the MA spend down requirements. Helen can spend down to the \$3,000 on the lesser amount to qualify and the rest of the farm land is not subject to the MA rules.

To qualify for the Long-Term Care Partnership Program, a policy must meet several requirements. They are:

- Coverage must be for a MN resident.
- The insurance agent selling the policy must be certified to sell Long-Term Care Partnership Program policies (8 hours initial certification training, 4 hours of training every other year thereafter to remain certified).
- Issue age: certain issue ages require a given level of inflation protection. They are: under age 61 - compound inflation protection; age 61 to 75 - some level of inflation protection (simple or compound); and over age 76 - no inflation protection required.

**Note:** Standard LTCI may qualify for the Long-Term Care Partnership Program. Hybrid LTCI will not. One additional point about LTCI is that of portability or applicability in another state if initially purchased in MN. If you purchase a policy in MN but then move and retire in say Arizona, you will need to check and see if the policy will be accepted in Arizona.

### **Irrevocable Pre-paid Burial:**

One strategy for making funds unavailable regarding the \$3,000 asset limit for MA in MN is to establish an irrevocable pre-paid burial mentioned several times previously in this document. You set aside funds to pay for funeral expenses.

This process has to be done correctly, adhering to a strict set of rules. It is best to work with a funeral home and certified burial planner. They will establish an irrevocable trust agreement utilizing either a life insurance or annuity contract. They will make “any and all funeral providers as their interest so appears” the beneficiary of the trust. If done correctly, qualified costs include funeral expenses, cemetery space, urn, vault, crypt, casket, headstone, opening & closing of the grave site, and perpetual care. If done incorrectly, only \$2,000 can be made unavailable for the \$3,000 MA asset limit in MN.

If you receive benefits from MA in MN and upon your death there are any funds remaining in your pre-paid burial fund, those funds go to DHS.

You can establish a pre-paid burial account for the following individuals: your spouse, your parents, your children and their spouses, your siblings and their spouses, step-children and their spouses, and persons related to you by adoption.

### **Additional Resources:**

There are many resources available to help you in getting background information on the topic of long-term health care planning. You can simply search the Internet for long-term care and find many helpful items. A few are listed here:

- [www.minnesotahelp.info](http://www.minnesotahelp.info)
- [www.completelongtermcare.com](http://www.completelongtermcare.com)
- [www.longtermcare.gov](http://www.longtermcare.gov)
- [www.financinglongtermcare.umn.edu](http://www.financinglongtermcare.umn.edu)
- [www.genworth.com](http://www.genworth.com)
- [www.johnhancockltc.com](http://www.johnhancockltc.com)

**This is only a very short list and not meant as an endorsement of any specific company.**

If you are looking for information on MA make sure the information you locate is specific to the state in

question. Each state’s rules are a bit different. Make sure the information is current. Rules change quickly and often. If LTTC planning is an issue for you, see an elder law attorney for information specific to your situation.

### **Summary:**

Individual long-term health care planning must be based upon a solid personal estate and business transition plan. This is particularly true when you have a business involved that you may want to pass to the next generation. Components of your estate and business transition plan must include a Will or revocable living trust, power-of-attorney, health care directive, HIPPA authorization (listing of folks you grant access to your medical records) proper asset ownership, all associated contracts and agreements, and a business transition plan. All these things together with your personal long-term health care plan will enable you to achieve your goals for the future.

This information sheet is a simplistic overview of long-term health care planning. As you can tell, the topic is extremely complicated. When you begin to plan for this area of your life, seek the help of an elder law attorney. That is someone who focuses their law practice on the area of long-term health care issues and MA planning.

Finally, once your plan is complete including the personal estate plan and business transition plan, share your plans with your family. Doing so will inform them of your intentions and your wishes. This action may prevent a family feud upon your death. It also allows them to do planning for the future.

**Caution:** This publication is offered as educational information. It does not offer legal advice. If you have questions on this information, contact an attorney.