

Plan for the Future Especially for People with Disabilities and Medicaid Considerations

Medicaid funding and DDRC's programs are at risk if you do not make good long-term plans for a person with disabilities. By planning you can provide a quality life with resources for the person with disabilities, give direction to other family members to avoid later conflicts, and avoid losing Medicaid programs. Anyone with SSI, Medicaid Medical, OR Medicaid-waiver programs such as most of DDRC's adult programs will lose all of this if their assets go over \$2,000. Medicaid allows individuals to have personal belongings, a car, their own home, a Special Needs Trust, and Government EE Bonds.

If you die without planning you can't share your vision for the future of your loved one. Without a will probate will determine disposition of your property and people with disabilities may go over the asset limit. Beneficiary designations take priority so plan carefully or your will and trust can be overturned.

Your planning tools include:

Letter of Intent—Write down important information from your family member's past such as education, religious preferences, behavioral supports, and anything a person would find valuable if you were gone. Also provide an outline for the future of the individual with disabilities and try to include the individual in planning. Update this plan regularly and we suggest taking a look at it each year before individual's annual plan. Put a copy in a safe place and on file with the Resource Coordinator.

Will/Living Trust--Use to transfer assets and it's critical or probate takes over. Include people with disabilities by leaving funds to a Special Needs Trust. You can define the trust in your will or set up a stand-alone trust. Remember that beneficiary designations take precedence.

Special Needs Trust--Drafted so funds are not considered "available" so the person with disability does not have legal authority to control how money is spent and has no direct access to the funds. Instead, the Trustee manages the trust and decides how to spend money to meet needs of the person with disability. SSI is for food and shelter so the trust can be used for any supplemental needs such as job supports, clothing, purchase of a home, furniture, transportation, medical/dental, vacations, etc. Once it's funded it can't be changed (considered irrevocable) or the money could be considered available. We've learned that Conservatorship and Financial Guardianship do not protect funds from Medicaid asset consideration so AVOID using them. We encourage review by Health Care Policy & Finance to grandfather in changes.

Financial Analysis—Estimate the amount of funds that will be needed for the person's lifetime.

Homeownership

People with disabilities and their families may be able to buy homes on the open market—about 1850 have already done so. Follow the Path Towards Homeownership: Meet Basic Needs, Establish Readiness, Get Counseling, Verify your Money, Apply for a Loan, Choose a Realtor or Builder, and Purchase a Home

HERO does this by creating mortgage layers: the Lender qualifies an individual on their own income; if a person has a Section 8 voucher, the Housing Authority adds an offset; qualifying borrowers get down-payment assistance (2nd, 3rd, 4th layers); if available trust/family/others add resources to bridge the price gap and a person is Prequalified for a Loan!!! Final monthly payment is 30% of income.

Check the HERO website for more information: www.heroalliance.org.