

**Planning for the  
Cost of  
Nursing Home Care,  
Waiver Services,  
& PACE**





## **PLANNING FOR THE COST OF NURSING HOME CARE**

Many elderly citizens live in fear that all of their hard-earned resources will have to be used for nursing home care, impoverishing their spouse, and denying them the opportunity to leave something to their children. The purpose of this brochure is to eliminate this fear by informing you of the many planning opportunities that are available in Indiana.

We often tell our clients that the best time to do planning for nursing home care (if you do not have long term care insurance) is after you enter the nursing home. There are many planning options available that most folks are not aware of.

### **DISCLAIMER**

The information presented in this brochure is of a general nature. Each family has a unique situation that should be carefully reviewed by a lawyer specializing in elder law issues.

The laws discussed in this brochure change frequently. The information presented is current as of July 1, 2025. The laws that govern this area may be totally different a year from now. You should consult an elder law attorney for specific legal advice.

### **ALERT!**

#### **SPOUSAL RETIREMENT ACCOUNT CHANGES**

For many years, when an individual applied for Medicaid or Medicaid waiver services, Indiana disregarded the value of the applicant's spouse's retirement accounts. This rule changed for applications filed on or after July 26, 2024, making these accounts countable as a resource. This is a major change for all married Hoosiers.

## **ALERT!!**

### **MANAGED MEDICAID MOVES TO INDIANA**

The Indiana Family and Social Services Administration started a new program called “PathWays for Aging” on July 1, 2024, for Hoosiers 60 and older who receive Medicaid benefits (excluding Healthy Indiana Plan Medicaid recipients and PACE participants). The stated goal of this program is to provide more services to seniors, including transportation to medical appointments, home health visits, and nutritional assistance, in order to help Hoosiers age at home instead of in a nursing home.

Eligible Hoosiers are enrolled in one of three PathWays health plans administered by one of three “Managed Care Entities” (MCEs): Anthem, Humana, or UnitedHealthcare.

You can call the PathWays hotline at 877-284-9294 to select a plan or to obtain additional information about which plan will be best for you.

You will want to choose a plan that includes your current medical providers if at all possible. Indiana has selected an “Enrollment Broker” (Maximus) to help you choose the best health plan for you. The phone number for Maximus is 833-597-2777.

Many Hoosiers will enroll in the wrong plan for them. You will be able to change plans each year from October 15 to December 7, without penalty. There will be other opportunities to change plans in the future.

The MCEs will offer benefits that are not currently offered by Medicaid, such as food delivery services and an over-the-counter pharmacy allowance. Your health plan should provide enhanced coordination of care since all your medical providers will report to one health plan.

Each health plan will employ a “Care Coordinator” who will help create a personalized care plan for you based on your preferences and needs. Your coordinator will help you schedule visits with your medical providers.

Your health plan will send you a health care assessment questionnaire asking about your personal behaviors, health goals, and priorities.

Your health plan will use these assessments to create a personalized plan for your care in order to allow you to age in the least restrictive environment (home, in most cases). Hoosiers who meet nursing home level of care may receive these services as part of their personal care plan:

- Adult Day Services
- Adult Family Care
- Assisted Living
- Home Modifications
- Health Care Coordinator
- Home-Delivered Meals
- Nutritional Supplements
- Personal Emergency Response System
- Respite Care
- Specialized Medical Equipment
- Structured Family Care
- Transportation
- Vehicle Modifications

This is a new program in Indiana, and there are currently many unanswered questions. We will be posting articles on our website detailing the experiences of our clients as they go through the enrollment process. Please communicate your experience with

this process to our team so that we can do our best to make this a successful program for all Hoosiers.

## **ALERT!**

### **PERSONAL SERVICE AGREEMENTS UNDER ATTACK**

Many aging Hoosiers have a personal service agreement paying family members to care for them at home, so they do not have to go to the nursing home. Logically, the State of Indiana would encourage such agreements.

Indiana published a “notice of proposed rulemaking” on January 2, 2024. The new rules are for all PathWays Medicaid applications filed on or after August 8, 2024. The new rules impose incredibly strict standards for personal service agreements to qualify for Medicaid eligibility purposes. This will make it very difficult to pay for personal care services by a friend or family member without incurring Medicaid penalties. As a result of this change, Indiana may have the most stringent qualification requirements for personal service agreements in the entire United States. Among other strict standards, the new rules require the agreements to be notarized and impose stringent record keeping requirements. Please see us for proper documentation if you need to hire a caregiver for a loved one.

## **PROBLEM**

The cost of nursing home care has increased dramatically over the last ten (10) years. The average cost of nursing home care in Indiana is \$7,651 per month as of July 1, 2025. When medication bills are added to the cost of supplies, many individuals are paying \$8,000 to \$11,000 per month, or over \$100,000 per year, to stay in the nursing home.

## **SOLUTIONS**

### **NURSING HOME INSURANCE: TO BUY OR NOT TO BUY**

The fear that nursing home costs will financially ruin their retirement has led many people to consider the purchase of nursing home insurance (often called “long-term care insurance”). We encourage people to purchase nursing home insurance if it is financially feasible for them to do so. You should consider the following information in making your decision.

The younger you are when you purchase nursing home insurance, the smaller the premium. Generally, you should consider purchasing nursing home insurance when you are 59 years old. The premium should not exceed 10% of your income (as you are trying to protect--not spend--your retirement savings).

The average age for nursing home admission is 81 for men and 84 for women. If you are in good health and do not have a family history of illnesses resulting in nursing home care, you will want to consider how long you are likely to pay premiums.

Generally, people with assets of more than \$250,000 and less than \$1,000,000, excluding their home, are candidates for the purchase of long-term care insurance.

Married people should carefully consider their options under existing laws designed to permit one spouse to be institutionalized without impoverishing the spouse that stays at home. Generally, the spouse at home can keep their home, car, and one-half of their non-exempt assets up to a maximum of \$157,920 without the need for long-term care insurance. Prior to committing to spending thousands of dollars in insurance

premiums over a long period, they should spend \$200-\$300 and have a professional advisor explain these laws to them.

What are the chances that the insurance policy will make any payment to a nursing home? The average 65-year-old male has a 20% chance of spending a year in a nursing home and a 10% chance of spending five or more years in a nursing home. This means there is an 80% chance that you will need care for less than one year. When you compare this to the risk of filing a major claim against your homeowner's insurance company, which is one in eleven hundred, nursing home insurance may be a good investment for your family.

If you are considering purchasing a long-term care policy, you should compare policies and premiums from at least two companies. In purchasing a policy, you should consider:

- Home Care. Many policies now provide for limited health and housekeeping care in your home to avoid a spouse having to enter a nursing home.
- Benefit Period. You can purchase a long-term care policy for the rest of your life, but generally coverage for four or five years is sufficient. This is particularly true in Indiana if the nursing home policy is approved by the State of Indiana as a qualified policy under the Indiana Long Term Care Insurance Program ([www.in.gov/ihcp](http://www.in.gov/ihcp)). This program allows you to qualify for Medicaid and for every dollar the insurance policy pays for nursing home care, the amount of assets that you can keep in your name and still qualify for Medicaid increases by a dollar.



- Elimination Period. By paying for the first 30 or 90 days of nursing home care, you can save a great deal on premiums.
- Inflation Protection. You generally should have a policy that increases your benefits by 3% to 5% each year, especially if you are under age 65 when you purchase the policy.

The purchase of a nursing home insurance policy is a major financial decision. You should carefully review and compare actual policies and rates before you buy.

The State of Indiana Department of Insurance Senior Health Insurance Assistance Program (SHIP) has additional information and counselors available to discuss these issues in more detail. Please use their hotline at 1-800-452-4800 to request information. Paul Thieroff serves as the local representative of this program. Paul can be reached at (260) 373-7952.

## **MEDICAID**

Most citizens in nursing homes run out of money in the first year and have their care paid for by Medicaid. It is unfortunate that Medicaid and Medicare sound so much alike. This creates a great amount of confusion about which program pays for what services. This brochure will focus on the Medicaid program only--as it pays for long-term costs of custodial nursing home stays for most elderly citizens. Medicaid is a federal program administered differently by each state. The following statements are based upon Indiana law.

Eligibility. In order to be eligible for Medicaid you must have less than \$2,000 in countable assets for a single individual or \$3,000 in countable assets for a married couple (or be within the

spousal impoverishment guidelines if only one spouse is applying for Medicaid) and be (a) over age 65, (b) be totally disabled, or (c) be blind. This brochure will focus on Medicaid eligibility for citizens over age 65.

Coverage. Once eligible, Medicaid will pay for almost all medical services and long-term custodial nursing home care.

**Married Couples.** When a married person first enters a nursing home or hospital (or combination thereof) for more than 30 consecutive days after September 30, 1989, a snapshot is taken of their assets (the “snapshot date”).

Example One: Mary, age 66, breaks her hip on October 10, 1992, enters a hospital, and is then transferred to a nursing home. She leaves the nursing home on November 13, 1992, and returns to live with her husband, Tom. On January 1, 2024, Mary again enters the nursing home. In order to determine Medicaid eligibility for Mary, the couple will have to document the assets they owned as of October 10, 1992, and compare these assets to their current assets.

Once the snapshot assessment is completed, the Community Spouse (the spouse at home) gets to keep one-half of their countable resources with a minimum of \$31,584 and a maximum of \$157,920 (these figures are adjusted for inflation each January 1st). There are many techniques a Community Spouse can use to change how assets are held so that certain assets will not be countable.

Medicaid does not count the following assets:

- (A) A home with equity of less than \$730,000 if used as a personal residence;

(B) Income producing property so long as fair market value rent is paid;

(C) One vehicle of any value if used for transportation for health care or employment;

(D) Proper irrevocable prepaid funeral arrangements; and

(E) Household goods and furnishings.

Example Two: Mary and Tom own the following assets:

	<u>October 10, 1992</u>	<u>January 1, 2025</u>
Home	\$60,000	\$60,000
Car	10,000	20,000
Prepaid Funeral	0	10,000
Bank Accounts	<u>35,000</u>	<u>15,000</u>
	\$105,000	\$105,000

On October 10, 1992, the bank accounts of \$35,000 are the only countable assets. The Community Spouse gets to keep \$31,584 and must spend or convert \$3,416 before Mary becomes eligible for Medicaid. On January 1, 2025, the couple has spent \$10,000 for funeral arrangements and bought a more expensive car. Mary is immediately eligible for Medicaid. Once Mary is determined eligible, Tom can do what he wants with his assets, and these assets will not affect Mary's eligibility unless Tom has to enter the nursing home while Mary is alive. Mary and Tom will have 90 days after Mary is determined eligible to put all of their assets in Tom's name.

There are several other planning options available to Tom. The following options could be used if Tom had more funds.

Example Three: Let us assume Mary and Tom owned the following assets and Tom is entering the nursing home for the first time on January 1, 2025, making that date the snapshot date.

	<u>January 1, 2025</u>
Home	\$60,000
Car	10,000
Stock	60,000
CD	40,000
Savings	<u>25,000</u>
	\$195,000

The home and the car are exempt assets reducing their countable assets to \$125,000. One-half of this amount, or \$62,500, would be set aside for Mary, and she would have to spend the other \$62,500 or convert it before Tom would be eligible for Medicaid.

Mary could do any of the following to make Tom eligible for Medicaid at an earlier date:

(A) Annuity. Mary could take \$63,000 and purchase an irrevocable annuity. This converts this asset to income (see the income rules below) since Mary cannot cash-in the annuity policy. Typically, Mary would receive monthly payments from the insurance company for a certain number of years. If Mary selected a 5-year annuity period, she would receive monthly payments of approximately \$1,075 from the annuity company for 60 months, and Tom would be eligible for Medicaid right away. The State of Indiana would have to be named as the primary or contingent beneficiary of the annuity in the event that Mary died before the annuity was fully paid out.

(B) Income-Producing Property. Mary could take \$63,000 and purchase a rental home. Since the property will

produce fair market value rent, the rental home will not count as an asset.

(C) Fair Hearing. If Tom and Mary have low income and high shelter expenses, she could request that all of their assets be set aside in her name to enable her to have enough income to live on. Mary and Tom own \$125,000 of non-exempt assets. This sum would produce monthly income of \$208.33 if invested at 2% interest. If Tom and Mary's income is under the income standard of \$2,644 by at least \$208.33, she could use the fair hearing procedure to have all the assets allocated to her. This procedure involves making application for Medicaid, having the application turned down, and then appealing this decision to an Administrative Law Judge. The Administrative Law Judge has the authority to allow Mary to keep all of the couple's assets.

### INCOME RULES

Medicaid analyzes income for a couple according to the name on each check that the couple receives, with joint payments attributable one-half to each spouse.

Example: Let us assume Mary and Tom receive the following monthly income:

	<u>Mary</u>	<u>Tom</u>
Social Security	\$420	\$1,130
Pension		550
Investment Income	<u>200</u>	<u>          </u>
	\$620	\$1,680

Let us further assume Tom is in the nursing home and eligible for Medicaid, and Mary is in assisted living. Mary is entitled to receive income of \$2,644 per month (adjusted July 1 of each year). This sum can be increased by one dollar for each

dollar of allowable shelter expenses Mary has in excess of \$793 per month. This takes Mary to a maximum monthly income allowance of \$3,948, unless further increased by an Administration Law Judge.

In this example Mary already receives all of the couple's investment income but still only has monthly income of \$620, so she will receive all of Tom's income to help support her after Tom is determined eligible for Medicaid.

## **PATHWAYS WAIVER PROGRAM**

All of our clients want to stay at home as long as possible. The Indiana Plan to Age in Place adopted by the Indiana Division of Aging uses the waiver program to allow eligible Hoosiers to receive Medicaid benefits at home or in assisted living.

You must meet nursing home level of care to receive assistance under the waiver program. The assessment is done by Maximus. You start this process by calling Maximus at 1-833-597-2777 or by email to Maximus at [INLCAR@maximus.com](mailto:INLCAR@maximus.com). You meet level of care if you are unable to perform three or more activities of daily living on your own.

We encourage our clients to participate in this program if there are family members that can help them stay at home with 40-160 hours of additional care each month by a home health care agency that is paid for by the waiver program.

- The average cost to the State of Indiana if someone is in a nursing home on Medicaid is \$4,800 per month.
- The average cost to the State of Indiana if someone is at home on the waiver program is \$2,600 per month.

## **PROGRAMS OF ALL-INCLUSIVE CARE FOR THE ELDERLY (PACE)**

Allen County Indiana residents over the age of 55 who meet nursing home level of care and live at home now have the option of participating in the PACE program. This program is mostly for dual eligible patients who are Medicaid and Medicare beneficiaries. There are currently 135 participants in this program who are living in the community instead of a nursing home.

The PACE program covers all health care costs for those in the program and provides transportation to and from healthcare appointments. The typical PACE enrollee visits the PACE center two or three times each week, so they get more social interaction, and their caregiver gets more respite care. Visit [www.pacenein.org](http://www.pacenein.org) to see if you qualify and to learn more about this excellent new program.

PACE provides all the care and services covered by Medicare and Medicaid that are authorized and recommended by the interdisciplinary team, as well as additional medically necessary care and services not covered by Medicare and Medicaid. PACE provides coverage for prescription drugs, doctor care, transportation, home care, check-ups, hospital visits, and even nursing home stays whenever necessary. With PACE, your ability to pay will never keep you from getting the care you need.

## **TRANSFER PENALTIES**

Medicaid restricts the transfer of assets from one person to a non-spouse if such transfers are made for purposes of enabling that person to become eligible for Medicaid. Transfers between spouses are not penalized because the resources of both spouses are counted in determining eligibility.

The average monthly cost of nursing home care in Indiana is \$7,651. If someone transfers an asset for less than fair market value, then he or she creates a period of ineligibility for Medicaid.

The ineligibility period is determined by taking the amount of the gift and dividing it by \$7,651 for Medicaid applications filed after July 1, 2025.

Example: If Mary gave away \$10,000 to her son, Michael, she would be ineligible for Medicaid for 1 month and 10 days ( $\$10,000 \div 7,651 = 1.31$ ).

If Mary gave away \$20,000 to her son, Michael, she would be ineligible for Medicaid for 2 months and 19 days ( $\$20,000 \div 7,651 = 2.61$ ).

The maximum look-back period in which prior gifts have to be disclosed is currently 60 months. Gifts made more than 60 months before a Medicaid application is filed are not counted. Gifts to family members that cumulatively total \$1,200 or less on an annual basis do not count.

## **INDIANA MEDICAID PENALTY RULES**

The Family and Social Services Administration (FSSA) has transfer penalty rules. These complex, illogical rule changes threaten every elderly and disabled person who may at some time



need nursing home care or waiver services. These changes are required by the provisions of a bad federal law - the Deficit Reduction Act of 2005.

We now have a floating penalty during a five-year period before someone files for Medicaid to help pay for nursing home care. How does the floating penalty work? Dad dies and leaves Mom a \$50,000 life insurance policy and \$200,000 in CDs. Mom gives \$30,000 to her children; \$10,000 to a charity; and \$10,000 to her church--just in case she has to enter a nursing home later. Mom has a stroke the next month and goes to the nursing home. She spends \$200,000 on her care over the next four years and then applies for Medicaid. Imagine the shock she will face when she finds out the new law makes her ineligible for Medicaid for nearly a year--when she is out of money. Who will pay for her care? How will the nursing home be paid?

The penalty rules have two parts. First, you must determine the length of the penalty. The length of the penalty is determined by taking the amount gifted and dividing this amount by the average cost of nursing home care in Indiana, which is currently \$7,651 per month. In the last example, the total gift of \$50,000 is divided by \$7,651 to determine that the period of ineligibility created by the gifts is 6 months and 17 days.

The second part of the rule states that the penalty for a gift starts on the date Mom is in the nursing home (or is approved for waiver services), applies for Medicaid, has \$2,000 or less in her name within five years of making the gift, and is turned down for Medicaid for nursing home care because of the gift. This is what makes Mom ineligible for Medicaid for 6 months and 17 days once she is in the nursing home and out of money.

This is easiest explained by example. Mom gives her son \$10,000 in March 2023. Mom gives Christmas gifts of \$500 to her

three children each year for three consecutive years. Mom goes into the nursing home, pays for her care for a year, and runs out of money. This means Mom has given away  $\$10,000 + \$4,500$ , for a total amount transferred of  $\$14,500$ . The first  $\$1,200$  each year is not counted, so the gift amount is reduced to  $\$10,900$ . This amount is divided by the average cost of nursing home care in Indiana of  $\$7,651$ . These transfers apparently make Mom ineligible for Medicaid for 1.42 months, when she is in the nursing home and has no money remaining to pay for her care.

The law now creates a penalty period for gifts of more than  $\$1,200$  cumulatively to family members in a year. This includes gifts for birthdays, anniversaries, Christmas, etc., unless you can prove the reason for making the gifts was for a purpose other than to qualify for Medicaid. How do you prove a negative? When Mom gives each of her three kids  $\$500$  at Christmas, she is not aware that she may have made herself ineligible for two days of Medicaid coverage in the nursing home if she enters a nursing home at any time in the next five years and runs out of money!

Almost every family has a child that borrows money from Mom or Dad for any number of reasons. The loan may be for college, the purchase of a new home, etc. Mom or Dad never required the child to repay the loan, and never considered the loan would be viewed as a transfer of assets should they ever need nursing home care in the future.

The FSSA rules state the loan will be considered a transfer of assets unless all the following criteria are met in the terms of the promissory note:

1. The loan repayment schedule must be actuarially sound.

2. The loan must have periodic payments with no balloon payments.

3. The loan document must prohibit cancellation at the death of lender.

I have yet to see a promissory note that contains all of these terms unless the note was prepared by an elder law attorney.

The law still permits transfers of assets if a person can prove “the assets were transferred exclusively for a purpose other than to qualify for medical assistance.”

Many people believe they can gift away their annual federal gift tax exclusion of \$19,000 without penalty, and without the donor having to file a gift tax return. Medicaid will not permit a gift of more than \$1,200 a year, let alone \$19,000, if a person will be in a nursing home and out of funds at any time within the next five years. You should be aware that even the smallest gifts can trigger a period of ineligibility for needed Medicaid benefits.

One bit of good news: there is no estate recovery at the death of the Community Spouse to recover payments made for the Institutional Spouse in the nursing home.

In short, Seniors will need to consult with an elder law attorney well in advance of needing nursing home care.

## **ANNUITIES**

The rules are particularly harsh for anyone who would purchase or own a non-qualified annuity after November 1, 2009. The rules require the State to be the primary or contingent beneficiary of any new non-qualified annuity policy. The term “non-qualified” simply means that the annuity is not purchased

with pre-tax dollars in an IRA, 401K, or similar account. The proceeds of any such annuity are intended to repay the State for any medical assistance furnished to an individual. If the State is not named as beneficiary of your non-qualified annuity, you and your spouse have made a transfer under the Medicaid laws, triggering a floating penalty for the next five years, even though you still have all of the money invested in the annuity.

The State of Indiana has recently announced it will not enforce the rule to name the State as a beneficiary until just before a Medicaid application is filed. You should consult an experienced elder law attorney to discuss this further.

For example, Dad purchases a non-qualified annuity for \$50,000 naming Mom as primary beneficiary and the children as contingent beneficiaries. The State is not named as a beneficiary, so there is a floating penalty assessed even if the children receive nothing. Four years later Mom has died, the annuity is gone, and Dad has to go to the nursing home. He has run out of funds and applies for Medicaid. Imagine the shock the family will experience when they find out he may not be eligible for Medicaid because he bought a non-qualified annuity years ago.

The law treats annuities purchased before November 1, 2009, as being purchased on November 1, 2009, if certain “transactions” occur. These transactions include:

- (1) Adding money to an existing annuity;
- (2) Taking money out of an existing annuity;
- (3) Changing the distribution from an annuity;
- (4) Electing to annuitize the annuity; or
- (5) Other similar actions.

The simple task of taking money out of your annuity for your use can now create a penalty should you or your spouse need nursing home care at any time within the next five years.

**NOTE:** The Medicaid rules must be fully complied with when making application for Medicaid and while receiving benefits. You must disclose all gifts to the caseworker and all assets. There are many planning techniques available to enable a person to become eligible while playing within the rules.

### **QUALIFIED INCOME TRUST (QIT) (a/k/a MILLER TRUST)**

You cannot qualify for Medicaid in Indiana for nursing home care or waiver services if your monthly income exceeds the Special Income Level of \$2,901 unless you set up a QIT. This trust is irrevocable, has a Medicaid repayment requirement at the death of the beneficiary, and only receives income of the beneficiary. These trusts sound complicated but are easy to use. Please discuss this with our office if your monthly income exceeds the Special Income Level.

### **MEDICARE BUY-IN**

Even if you do not qualify for Medicaid coverage for long-term care, you may qualify for extra help paying for prescription drug coverage. You may qualify if your yearly income and resources are below the current limits:

- Single Person—Income less than \$1,883 per month and assets less than \$9,430.
- Married—Income less than \$2,555 per month and assets less than \$14,130.

There is also the Medicare Savings Program. Indiana helps eligible, low-income beneficiaries pay for medical services if they pass income and resource tests.

Qualified Medicare Beneficiary:

	<b>Monthly Income</b>	<b>Assets</b>
Single	\$1,883	\$ 9,430
Couple	\$2,555	\$14,130

Specified Low-Income Medicare Beneficiary:

	<b>Monthly Income</b>	<b>Assets</b>
Single	\$2,322	\$ 9,430
Couple	\$3,152	\$14,130

You can apply for these benefits at the local Office of Family and Social Services Administration (FSSA). The application for benefits is available on-line. You can also contact your local Area Agency on Aging for additional information.

## **IMPORTANT ESTATE PLANNING DOCUMENTS TO CONSIDER**

Financial Power of Attorney. Every citizen over age 50 should strongly consider giving someone else written authorization to act on his or her behalf with respect to financial matters. A properly executed general power of attorney empowers another to act for you as to the management and disposition of your property. In light of today's medical advances, you are statistically likely to face a period of incapacity prior to death. We therefore strongly recommend signing a properly prepared power of attorney to assist with the planning techniques set forth in this brochure, should you or your spouse enter the nursing home for an extended stay. This

power of attorney should be durable--meaning it can be used to manage your affairs should you become incompetent.

This power of attorney should specifically authorize the attorney-in-fact to make gifts to your spouse, your children (including your attorney-in-fact) and their spouses. This gifting authority is a crucial component of many types of Medicaid eligibility planning. A properly prepared power of attorney is many times more important than a will.

Appointment of Health Care Representative. An Appointment of Health Care Representative allows you to designate another to make health care decisions for you in the event you are unable to make those decisions yourself. This document is especially useful in second marriage situations, where one has several children, for single individuals without children, or where a parent would like to avoid potential conflict among the children.

After December 31, 2022, you can no longer include advance directive powers in a new power of attorney document. We are now only preparing Appointment of Health Care Representative forms for our clients.

You can visit the forms section of our website at [www.dhblaw.com](http://www.dhblaw.com) and print an Appointment of Health Care Representative form. You can fill in the blanks, have your signature witnessed by two witnesses or a notary public, and you will have a legally appointed Health Care Representative.

POST Form. The Physician Orders for Scope of Treatment is an excellent tool for seniors who want to control the care they receive in end-of-life situations. Please visit our website for more information about POST. We have a video under the Resources tab on our website that explains the POST form in simple terms.

Living Will. A living will is a fairly meaningless document in Indiana under current law. It is only effective after a physician certifies in writing that you are going to die within a short period of time. Physicians do not do this. Additionally, living wills are not legally binding. A living will may provide some psychological benefit (i.e. we are doing what Dad wanted) but has little legal benefit. Your family would receive far greater benefit through an Appointment of Health Care Representative.

Out of Hospital Do Not Resuscitate Declarations. A recently enacted statute resolves what was previously a conflict in how lifesaving care was administered. With the new law, individuals with approval of their doctor who are not in a hospital can specify that EMTs and paramedics should refrain from performing CPR if that individual has enacted a proper declaration.

Will. Every person should have a will. Please visit our website at [www.dhblaw.com](http://www.dhblaw.com) and enter our “Articles” section for a thorough explanation of the benefits of having a will.

## **AGE 70 - A LEGAL TUNE UP**

Just as you tune up your car every few years, We recommend a legal tune up at age 70. Specifically, you should organize your affairs and make sure you have the following documents in order:

1. A durable power of attorney authorizing someone to act for you if you cannot act for yourself. This power of attorney should specifically authorize the making of gifts to your attorney-in-fact without regard to the Indiana annual limit of \$19,000.
2. A proper document authorizing someone to make health care decisions for you if you cannot act for yourself.



3. A proper will, or in some situations a trust, designed to minimize or eliminate taxes at your death, that has been prepared or reviewed by a lawyer within the last three years.
4. An organized notebook showing what you own, how you own it, and what it cost you to purchase it.
5. Prepaid funeral arrangements purchased by use of an irrevocable assignment of a life insurance policy based upon the value of the arrangements selected.
6. A thumb drive with information about all your online accounts, including passwords and security questions which your children can access.

You should then consider the effect a long-term nursing home stay will have on your finances. Many elderly citizens needlessly live in fear that their spouse will have to go into the nursing home and the cost will either impoverish them or require a divorce. An hour spent with a lawyer specializing in elder law will eliminate these fears.

When your spouse has to enter a nursing home, the spouse at home has the right to keep most of their assets and to keep sufficient income to live independently. Should you be faced with placing your spouse in the nursing home, I strongly encourage you to consult with an elder law attorney as soon as possible.

Children faced with the decision to place Mom or Dad in the nursing home should also consult with an elder law attorney. Contrary to what many people believe, it is possible for Mom or Dad to leave some of the assets they have worked hard for to their children rather than spending it all on nursing home care.

My last recommendation is to have a family meeting and discuss each of the above issues. The more your family knows, the more they can assist you in your hour of need.

**Achieving a Better Life Experience Accounts (ABLE Accounts) are here!** Folks who became disabled before age 26 are able to have ABLE accounts that are disregarded for purposes of SSI and Medicaid. The account may receive a gift of up to \$19,000 (as of 2025) per year from a disabled person, relative, or friend. Please see our website for additional information. The age limit for an ABLE account increases to 46 as of January 1, 2026!

## **PLANNING FOR THE FAMILY FARM**

A very common scenario that we see in our practice: Mom owns an 80-acre farm that has been in the family for more than 100 years. She is concerned about what happens to the farm if she has to go to the nursing home. We frequently have the children form a Limited Liability Company (“LLC”) and mom then deeds the farm to the LLC formed by her children and keeps a life estate. This starts a five-year penalty period if mom has to go to the nursing home, which can be eliminated by the LLC deeding the remainder back to mom. If mom can stay at home for five years, the farm will go to her children at her death even if she is in the nursing home on Medicaid.

## VALUABLE RESOURCES

Our website, [www.dhblaw.com](http://www.dhblaw.com), includes all of the following links as well as informative articles written by our lawyers and forms to download for advanced medical care directives.

[www.medicare.gov/nhcompare/home.asp](http://www.medicare.gov/nhcompare/home.asp) Provides detailed information about the performance of every Medicare and Medicaid certified nursing home in the country; a wonderful resource to help in your decision of choosing a nursing care facility for a loved one.

[www.naela.org](http://www.naela.org) This website can help the client find an elder law attorney in every state.

[www.in.gov/medicaid/members/member-programs/hoosierx](http://www.in.gov/medicaid/members/member-programs/hoosierx)  
Are you a senior citizen facing the high cost of prescriptions in Indiana? If you meet the income requirements, you may qualify for assistance from a state program.

[www.benefitscheckup.org](http://www.benefitscheckup.org) This website provided by the National Council on Aging quickly lets you know whether you qualify for certain state and federal assistance programs based on your income and resource level.

[www.savingsbonds.gov](http://www.savingsbonds.gov) Everything you could possibly want to know about savings bonds, including the answers to all savings bond questions, current interest rates, and even savings bonds values, are provided in this website maintained by the Bureau of Public Debt.

[www.medicare.gov](http://www.medicare.gov) The Medicare Part D Prescription Drug Coverage is a complicated program for Medicare beneficiaries. This site provides information about Part D.

[www.caringinfo.org](http://www.caringinfo.org) This site provides valuable information about the steps that should be taken, both financially and legally, when an individual is diagnosed with a serious illness.

[www.indianapost.org](http://www.indianapost.org) This site is a valuable resource to those who may benefit from the use of the POST form in Indiana. There is an excellent 13-minute video that describes who should have a POST form and how the POST form should be completed.

[www.pacenein.org](http://www.pacenein.org) This is the site for Programs of All-Inclusive Care for the Elderly (PACE), a program that helps eligible people find alternate care instead of a nursing home or other care facility. PACE provides a wide variety of care services including meals, transportation for healthcare, social interaction, and a dedicated team of medical professionals.

## **CLOSING**

Many senior citizens live in fear that their health problems will result in a significant financial hardship their spouses and families. This is no longer true. There are many planning opportunities in addition to the ones presented in this article. So, our final piece of advice is to enjoy your retirement and leave the worrying to your lawyer.

**Keith P. Huffman** is a member of the National Academy of Elder Law Attorneys and a frequent speaker on elder law issues. Keith P. Huffman is a former President of the Indiana Chapter of NAELA and is a past Chairperson of the Elder Law Section of the Indiana Bar Association. He currently serves as an ex-officio member of the Board of Aging & In-Home Services of Northeast Indiana. Keith P. Huffman received the 2016 Powley Award presented at the annual NAELA meeting in Denver, Colorado, for his leadership in advocating for the elderly and disabled in Indiana. Keith P. Huffman received his undergraduate education from Adrian College and his legal education from Indiana University, and was admitted to the bar in 1980. You can e-mail Keith at [huffman@dhblaw.com](mailto:huffman@dhblaw.com).

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**Michael J. Huffman** received his undergraduate degree in Political Science from Indiana University, where he was a member of the Phi Beta Kappa Honor Fraternity. He received his legal

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**Bryant A. Barger** received his undergraduate degree from Taylor University and his legal education from Indiana University Maurer School of Law. He was admitted to the Bar in 2024. Mr. Barger focuses his practice in the areas of estate planning, elder law, and farm/business entity formation and planning. You can email Bryant at [bbarger@dhblaw.com](mailto:bbarger@dhblaw.com).

Keith Huffman, Timothy Babcock, Kristin Steckbeck, Michael Huffman, and Bryant Barger are assisted in the area of Medicaid planning by a highly experienced support staff consisting of Cindy Rhoades, Dawn Miller, April McElhaney, and Deedra Bercot.

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**For a current source of information and changes in  
elder law, visit our website at [www.dhblaw.com](http://www.dhblaw.com).**

**Prepared by Keith P. Huffman, attorney. Copyright  
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