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## ELDER LAW MINUTE

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Patty Davis is an 84 year old widow. She suffers from Parkinson's disease and was recently admitted to a Georgia nursing home. Her gross income is \$1,450 from Social Security and \$575 from a pension. She pays the normal amount for Medicare Part B, \$155 for AARP Plan F, and \$27.50 for Humana Part D. In 2001, she loaned her son \$150,000. The note calls for principal payments of \$10 per month for 15,000 months. Patty owns a home worth \$450,000 and a vacation home at Big Canoe worth \$275,000. She would like to qualify for Medicaid as soon as possible so that she can protect her life savings and pass it on to her children, one of whom is disabled.

1. Does Patty need a Qualified Income Trust in order to receive Medicaid?
  - a. If so, how much does she need to contribute to the trust each month?
  - b. How can she use the money in the trust?
2. Is the promissory note a resource?
  - a. If so, what is its value?
  - b. What can Patty do to minimize its value?
3. Can Patty keep two homes?
  - a. Should she rent the vacation property?
  - b. What do you recommend?
4. What can Patty do for her children?
  - a. Is there anything special that she can do for her disabled child?
  - b. Does it matter how old that child is?
5. Once Patty qualifies for Medicaid, what will she owe the nursing home?