

The Trustee

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NEWSLETTER

FALL 2004

ANNUAL MEETING PLANS ARE MADE

Invitations have been mailed for MTRC's 39th Annual Meeting and Luncheon. The date is Saturday, October 23, 2004, at 10:00 am, at Snyder's Willow Grove Restaurant, conveniently located off of Exit 8 of the Baltimore Beltway.

Are you familiar with the different types of guardianship, an Advance Directive, or who can be a Surrogate Decision Maker? Do you know that in many situations you have choices other than guardianship? Our program this year will explore the legal, medical, and practical aspects of informed decision making for your family member with a disability.

Program participants will include: Mindy Morrell, the Community Policy Director for the Arc of Frederick County; Dean Hoffman, a member of the MTRC Board of Directors and successor guardian for his brother; and Joan Kolobielski, also a member of the MTRC Board and guardian for her daughter.

Snyder's Willow Grove is well known for their delightful atmosphere and famous buffet. In addition to the program and luncheon, Board Members and Staff will be available throughout the day to answer questions you may have about the MTRC program. Please invite family, friends, your Resource Coordinator, and other Service Providers to join us.

Don't delay - seating is limited. The RSVP deadline is October 14, 2004. Call our office at 1-800-323-9407 for additional information.

NEWS FROM YOUR MTRC BOARD OF DIRECTORS

It is with great pleasure that we report the election of VICTORIA L. GRACE, ESQUIRE, for a three year term on our Board of Directors. Victoria's legal experience is concentrated on estate planning, elder law, and property asset management and transfer. Her practice includes drafting wills, testamentary trusts, disclaimer and bypass trusts, ILITs, revocable trusts, estate administration accounts, Advance Medical Directives, and Powers of Attorney. She also is experienced in health care law, Medical Assistance planning, and mediation. Victoria received her law degree from the University of Baltimore in Maryland. Prior to beginning her career as a lawyer, Victoria was a Registered Nurse specializing in health care management and administration. Please join us in welcoming Victoria to the MTRC family.

As we welcome Victoria to the Board, we must also say goodbye to LOUISE MICHAUX GONZALES, ESQUIRE. Louise has been an essential member of the MTRC Board of Directors since 1994. She has seen MTRC grow in her last 10 years on the Board and has played a part in making many critical decisions that assisted MTRC in its development. Many of you remember Louise speaking about Trusts and Guardianship issues at our annual meetings and seminars, or have personally visited her office for your own legal matters.

Louise recruited the aid of Robert Gonzales and his students at the University of Baltimore School of Law when MTRC found the need to change to a non-profit charitable corporation. With their assistance, she was able to get all the legal documents MTRC needed to make this a reality. For that, along with all her other achievements on behalf of MTRC, we are greatly thankful.

Louise practices law in Baltimore City and continues to work with families needing estate planning information. She can be reached at Hylton and Gonzales, 410-547-0900.

The following is provided as an informational article for the MTRC families. Many of us are beginning to think about elder law issues for either ourselves, our parents, or other loved ones. This article was printed in "Elder Law Today", published as a service of SinclairProsser Law, LLC, 900 Bestgate Road, Suite 103, Annapolis, MD 21401; (410)573-4818. Colleen Sinclair Prosser, Esquire, is a member of the MTRC Board of Directors. This information is for general informational purposes only and does not constitute legal advice.

Medicaid Spend-Down Checklist

There is a great deal of confusion regarding the spend-down of assets for Medicaid qualification. For a single person, who can only keep \$2,500 in countable assets in Maryland, that individual may find him or herself wondering what the money can be spent on without causing any Medicaid disqualification.

Similarly, for a married couple, the rules are even more complex. The community spouse (i.e. the at-home spouse) may generally keep roughly one-half of the couple's assets up to a maximum of about \$92,760. Depending upon their resources, again the couple may have a substantial amount of money that needs to be spent before the nursing home spouse qualifies for Medicaid.

That is often where the confusion begins. That's because there is so much misinformation about what kinds of things the money can be spent for. For that reason, we have put together the following checklist to help people better understand the law...and where the money can legally be spent. For someone who is pursuing Medicaid eligibility, following are the types of spend-down items, in no particular order, which should be considered:

1. Purchase pre-paid funeral plans. You should only deal with a funeral home knowledgeable in this type of planning.
2. Purchase a new car. It is perfectly acceptable to purchase a new car. The community spouse may even do this and have the entire purchase price come out of the nursing home spouse's spend-down.
3. Payment of nursing home expenses. Of course nursing home expenses and other health care costs can be made as part of a spend-down.
4. Make home improvements. Home improvements are often an excellent use of funds in a Medicaid spend-down. For instance, the community spouse might fix the roof, get a new air conditioning system, new carpeting, new furniture, etc. The intention here is to fix the house up so that, hopefully, no other home repairs need to be done during the lifetime of either spouse. That is especially important since, in many cases, the community spouse will have to spend down one-half of his or her assets and may no longer have the resources necessary for large lump sum expenditures which may occur later.
5. Buy household goods or personal effects. Once again the intention is to have the community spouse get the types of things that are needed to keep the household running without major expenditures down the road.
6. Purchase a new home. Since the home is an exempt asset, in some instances purchase of a new home makes sense from a Medicaid planning standpoint.
7. Debt repayment. The key here is to make sure that the debts are repaid only after the Medicaid snapshot has been established. In other words, it would be disastrous to pay down a large amount of debt *before* there has been a snapshot. Once the snapshot is in force, then the entire debt repayment can count against the assets of the nursing home spouse. If done too soon, however, the debt repayment would only go one-half against the assets of the nursing home spouse and one-half against the assets of the community spouse.
8. Vacation. Can be a good idea for the community spouse at a time when there has been a long struggle to keep a loved one at home. The community spouse may be exhausted and a well deserved vacation could be rejuvenating. Believe it or not, the entire cost of that vacation can come out of the nursing home spouse's spend-down.

These are, of course, not the only appropriate items for a spend-down. There are other expenses that would also qualify. The main rule to keep in mind is that whatever goods or services are purchased must be done at fair market value. In other words, giving the money away or paying outrageous amounts *for* less than the real value of the services can cause Medicaid disqualification.

Also, don't let anyone tell you that anything spent must be done solely for the benefit of the nursing home spouse. On the contrary, virtually anything that benefits the community spouse will also benefit the nursing home spouse. Finally, keep in mind that while some of these spend-down strategies will not work as well for a single person qualifying for Medicaid, there are other strategies that can work equally well, no matter whether you are dealing with a single person or a married couple. Consult an experienced elder law attorney for guidance.

MTRC'S CONTRIBUTION UPDATE

MTRC gratefully acknowledges gifts received from our friends listed below, and from those who did not wish their names listed, your continued support means so very much to the success of the MTRC program. On behalf of those enrolled in the MTRC program, thank you.

Mr. & Mrs. Mike Harris
Anna Marie Kuzma
Beverly & Jim Rill
Law Offices of Hylton & Gonzales
Thomas Borowik Philanthropic Fund
Wesley Freedom United Methodist Church
Black & Decker, Inc. - Matching Grant

QUESTIONS AND ANSWERS

A letter was sent at the beginning of 2004 explaining the change of MTRC from a non-profit trust to a non-profit charitable corporation under the new name, Maryland Trust for Retarded Citizens, Inc. The letter explained that while our advocacy program would not change, the IRS would now require that we serve the broader public good in order to keep our tax exempt status. We are required to offer public service to the community at large as well as the MTRC families, and to broaden our sources of financial support.

In response to this letter, several questions were asked about the future of MTRC and if funds donated to MTRC will continue to be used at MTRC's discretion and for the mentally disabled, Our mission has not changed - it remains: *"MTRC provides guidance for families and advocacy for people with mental retardation. MTRC believes everyone deserves respect, choices, and quality of life."* All donated funds will continue to be used to support our mission.

In years ahead, we intend to reach out to others who share our concerns for the well being of the mentally retarded in Maryland. Historically, we have concentrated on the families and their mentally retarded members who are enrolled with MTRC. There are other families and other mentally retarded relatives who may benefit from MTRC's experience. It is these other families, and those who are concerned about their well being, that the Board has in mind when speaking of the "broader public good".

Will funds already donated be used for these efforts? Certain moneys are designated by the donors for the Active Client Advocacy Fund. These moneys are used to support our continuing efforts to advocate for the needs of those whose families are no longer able to advocate for them. Other funds are donated to MTRC's general operating funds. These monies will be used, as they have been in the past, to support the ongoing work of the organization. This work includes bringing out message to others whose families are not enrolled in our program.

What specific activities do we anticipate undertaking? The Board is currently in the process of that planning now. We would welcome your thoughts and ideas. The Board is looking forward to sharing the MTRC story with more families as well as the community that provides support services.

Will MTRC be hiring additional staff? Unfortunately, our budget is very limited and does not permit the hiring of any additional staff at this time. However, as we are able to bring our message to other families and individuals concerned with the welfare of all mentally disabled citizens, we hope to grow MTRC and grow our budget. This growth will allow us to expand awareness and better support of the work of the MTRC.

Join MTRC and the Board of Directors at the Annual Sponsors Meeting on Saturday, October 23, 2004, for more information about the program.

GRANT UPDATE

As reported in the Spring 2004 edition of *The Trustee*, MTRC received a grant from CITIGROUP FOUNDATION to distribute educational material in the state of Maryland.

A mailing was completed in June 2004 to over 800 families and professionals in Maryland. The mailing included literature about the MTRC program and other resources. The Board is very pleased with the 2.36% response from the mailing for additional information about MTRC and/or referrals to other agencies for assistance with their particular problem.

Thanks again to CITIGROUP FOUNDATION.

HAPPY BIRTHDAY

Birthday greetings to the active clients who had birthdays from April 1, 2004 – October 1, 2004.

Jan, Jean, Linda, Sandra, Mary, Phyllis, Judy, Lynn, Jimmy, Timothy, Thomas,
Patsy, Lester, Todd, Marie, Antoinette, Anne, Latrail, Ina, Robert, Michael, Marshall,
Elena, and Brian

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Consider MTRC, Inc. when making your charitable contributions. Enclosed is my tax deductible contribution. I would like my contribution to be used for the following purpose:

_____ ACTIVE CLIENT ADVOCACY FUND

_____ GENERAL FUND

_____ OTHER PURPOSE

_____ I do not want my name printed as a contributor in *the Trustee*.

MTRC is a 501 (c)3 charity and donations are tax deductible. A copy of our current financial statement is available upon request by contacting our office. Documents and information submitted to the state of Maryland under the Maryland Charitable Solicitation Act are available from the office of the Secretary of State for the cost of copying and postage.

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