Top 5 Threats to Maintaining Public Benefits Eligibility

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So you have completed the arduous process of becoming eligible, applying for and being approved to receive public benefits. Maybe you are a wartime veteran who is now receiving Aid & Attendance to help pay for care costs to remain in your home. Or, maybe you are in a skilled nursing facility and are receiving Medical Assistance to help pay for the overwhelming costs of care. Regardless of the reason for eligibility, it is absolutely crucial that you continue to receive the public benefit without disruption. Any disruption in these benefits can result in disastrous and expensive consequences that may not only affect the applicant, but the children of the applicant as well. Therefore if you are in fear of potentially losing your public benefit, it is important to contact an elder law attorney. Below are five common reasons that recipients disrupt or lose their public benefit eligibility:

1. Missing Renewal Deadlines

Typically public benefit recipients are required to annually renew and update their application information for the government agency. For example, Medical Assistance requires an annual update and a new application to be completed.   It is even possible that recent financial statements will be requested to show that the recipient is still compliant with the eligibility requirements. If the recipient fails to do this, their public benefits may be disrupted. If this occurs, the recipient may have to pay the facility privately until the issue is corrected. This is extremely costly and is likely to affect not only the recipient, but, potentially the children as well, due to Pennsylvania's filial responsibility statute. Needless to say it is important for the recipient and their family to stay apprised of the renewal deadlines and ensure that either the facility or their elder law attorney will submit the renewal application to the Department of Human Services.

2. Changes to Financial Eligibility

Most public benefits including, Medical Assistance and the VA's Aid and Attendance, require the recipient to be financially eligible prior to approval. Moreover, the recipient must maintain this financial eligibility for as long as they continue to receive the benefit. Any change in financial status that makes the recipient no longer resource eligible will disrupt benefits. Furthermore, failing to report a change in financial eligibility may not only cause a disruption in benefits but force the recipient to repay the government any benefits paid after the event that caused the financial ineligibility.

3. **Inheriting Assets**

   Under most circumstances inheriting assets is a good thing. However, it may be an absolute disaster for a recipient who is receiving means tested government benefits. If a public benefit recipient receives an inheritance, even from a spouse, it may cause a disruption in benefits as well as likely causing the assets inherited to be spent down for care. It is important to be cautious if there is a chance for a recipient of government benefits to receive an inheritance. For example, the husband is in a skilled facility receiving Medical Assistance. In this scenario, the wife should consider executing a will that disinherits her spouse. Should wife predecease husband, husband's benefits may be disrupted if he inherits assets from wife.

4. **Selling a Home**

   In regards to Aid and Attendance and Medical Assistance, the primary residence value is typically considered exempt from being considered a countable resource in determining eligibility. Therefore, one may continue to own a home and still be eligible for public benefits. Because of this, some recipients mistakenly believe they can sell the home. However, if the recipient or a member of the recipient's family sells the home, the proceeds are no longer exempt and become countable resources. The home is exempt only when it is the primary residence. Therefore, deciding to sell the primary residence after receiving public benefits may result in adverse consequences. In that scenario, it becomes possible that the recipient's benefits are terminated, and the proceeds from the house sale will be used to pay the care costs until they are spent down to eligible levels.

5. **Receiving Proceeds from Your Settlement**

   In many cases, personal injury clients rely on public benefits to help pay for their care costs that they will have the remainder of their lives. Therefore, settlement proceeds may disrupt or prevent a potential recipient's financial eligibility. If this occurs, settlement proceeds may be completely consumed by care costs, leaving little for the recipient to do anything else.

If you are a recipient of public benefits or a family member of someone receiving benefits and anticipate any of the above issues, please contact an elder law attorney to help navigate the potential downfalls deriving from the above topics. For more information, visit www.SaveYourSettlement.com.