

Family Care Connections LLC® Review

Winter/Spring 2021



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Changes in Medicaid Law To Be Implemented Effective July 1, 2021

New Yorkers can expect significant changes in Medicaid eligibility for homecare services beginning July 1st, 2021. Currently, in order to qualify for New York State Medicaid, an individual cannot have more than \$15,900 in assets, and \$904 in income (2021). If the assets exceed \$15,900 the applicant must spend down the assets. If the assets are gifted there is a 60 month look back for nursing home applications. Additionally, a penalty will be imposed for assets transferred that can result in a period of ineligibility for up to five years.

The eligibility criteria rules for Home Care and Community Medicaid have always been different. Currently there is no penalty for transferring assets when applying for Home Care or Community Medicaid. Unfortunately, this will change effective July 1, 2021. Medicaid will begin to impose a look back of 2.5 years or 30 months on transfers of assets made by the applicant or the applicant's spouse when applying for Home Care and Community Medicaid benefits. In addition, a penalty for such transfers will be imposed. Individuals contemplating applying for a Home Care or Community Medicaid should do so before July 1, 2021 to avoid the new look back rule. In addition to the above, Medicaid is changing the qualification criteria for the Consumer Directed Personal Assistance Program (CDPAP). In order to qualify for the (CDPAP) program, a client will have to demonstrate a need for assistance in three areas of activities of daily living (ADL). ADL's include bathing, toileting, dressing, eating etc. However, if the patient has a diagnosis of dementia, they need to Show a need for assistance with two activities of daily living (ADL). Clearly, these new guidelines will make it more difficult to qualify for Home Care Medicaid and the Consumer Directed Personal Assistance program (CDPAP). Therefore, it is essential that patients get the proper advice and advocacy during the eligibility process as well as the independent clinical evaluations. Call Family Care Connections at (516) 248-9323 for further information.

www.familycareconnections.com

Tax Update

The following rules may apply to your 2020 return

The tax brackets that apply to you depend on your taxable income: 10%, 12%, 22%, 24%, 32%, 35% and 37%
If you do not itemize your deductions than the standard deduction will apply to you which is as follows:

Filing Status:

Married Filing Jointly	\$24,800
Single	\$12,400
Head-of-Household	\$18,650
Married Filing Separately	\$12,400

An additional standard deduction is allowed if you are age 65 or older and/or blind:

1. **For married individuals: \$1,300**
2. **For unmarried individuals: \$1,650**

Itemized Deductions: some of the most common itemized deductions are **medical expenses** subject to 7.5% of adjusted gross income limitation, **Taxes You Paid:** examples are real estate taxes paid, State estimated payments and State payments paid through withholding which in total are limited to \$10,000. Interest Expense payment such are mortgage interest the deduction maybe limited to 750,000 of outstanding principle. **Charitable Contributions:** If you do not itemize your deductions you can take the standard deduction in **2020 you may qualify for the new \$300 charitable above the line deduction** for charitable contributions.

Capital Gains and Qualified Dividends:

For 2020, the following capital gain tax rates may apply 20%, 15% and 0% to net capital gains and qualified dividends. The tax rate that applies to you depends on your income level.

Traditional IRA Contribution Limits:

For 2020, the maximum IRA contribution is \$6,000 (\$7,000 for taxpayer's who are 50 years of age or older). The income level phase out for this deduction is based on the following income amounts:

Married Joint/Surviving Spouse	\$104,000 - \$124,000 (Over \$124,000 no deduction)
Single and Head of Household	\$65,000 - \$75,000 (Over \$75,000 no deduction)
Married filing Separately	Partial Contribution – Income less than \$1 to \$9,999 No Contribution - \$10,000 or more

The CARES Act:

The Coronavirus Aid, Relief and Economic Security Act was enacted in 2020. Below is a summary of the significant changes:

1 Recovery Rebate Credit/Economic Impact Payment:

Advanced payment was based upon 2019 or 2018 return depending on what was return was filed at the time. In order to qualify you must be a US citizen and not be a dependent of another and have AGI that does not exceed:

1. \$150,000 for married couples filing jointly
2. \$112,500 for individuals filing head of household
3. \$75,000 for all other individuals

If your adjusted gross income is greater than the above amount the credit is reduced by the amount equal to 5% of the excess. This advanced payment is not included in your 2020 income, however, the taxpayer maybe entitled to a Rebate Recovery Credit depending on their 2020 adjusted gross income.

2 Up to \$100,000 early withdrawal from Retirement accounts for Coronavirus Related Distributions prior to 12-31-20. Qualified distributions would not be subject to 10% early withdrawal penalty for taxpayer's under age 59 ½; you have the option to recognize income over a 3 year period (2020, 2021 and 2022) or you have the option of returning the money to the retirement account by the end of the 3 year period and avoid recognition of income. Please consult your tax advisor for additional analysis on these tax topics for 2020 tax filing and 2021 planning considerations. I am available for discussion at D'Angelo Law Associates should you require further consultation at 516-222-1122 or email me at lisahcpa@hotmail.com. *Elizabeth Haynie, CPA, MS*



FAMILY CARE CONNECTIONS, LLC

Medicaid, Medicare and Veterans Benefits Update 2021

General Medicaid for the Aged, Blind & Disabled 2021

Monthly Income Family Size 1	\$884.00	Recourses Limit Family Size 1	\$15,900.00
Monthly Income Family Size 2	\$1,300.00	Recourses Limit Family Size 2	\$23,400.00

NOTE: The First \$20 of monthly income per household is not counted when determining the eligibility of Medicaid applicants who are aged, blind and disabled.

Individuals may also establish a burial fund and exclude \$1,500.00 or any amount if an irrevocable pre-need funeral trust is established.

2021 Medicaid Cost of Living Adjustments for Community Spouse Allowances

Monthly Income	\$3,259.60
Resource Allowance or Spousal Share (maximum)	\$130,380.00
Home Equity Limit	\$906,000.00

Medicare Update 2021

Hospital Deductible for Days 1-60	\$1,484
Co-Insurance for days 61-90	\$371/Day
Co-Insurance for lifetime Reserve Days	\$742/Day
Skilled Nursing for days 1-20	100% Covered by Medicare
Skilled Nursing Co-Insurance for Days 21-100	\$185.50/Day
Social Security Retirements Benefit Increase of 1.3%	

Veterans Income Update 2021

Aid & Attendance Pension:	Monthly	Maximum Annual
Single Veteran	\$1,936	\$23,238
Married Veteran	\$2,295	\$27,549
Surviving Spouse	\$1,244	\$14,934

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Comprehensive Advanced Practice Nurse Care Management-Eldercare Consulting and Counseling-Medicaid Planning, Eligibility and Applications-Senior Living Planning and Housing Options For Aging.

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We are pleased to introduce you to the professional services provided by Family Care Connections LLC. Family Care Connections LLC provides comprehensive advanced practice nurse care management, elder care consulting counseling and advocacy as well as Medicaid planning. Dr. Annmarie D'Angelo is the director of clinical services and personally supervises all care management, geriatric care management, evaluation, and coordination. Frank G. Dangelo J.D. provides Medicaid eligibility planning and application services as well as elder care consulting and counseling to individuals and their families.

Family Care Connections LLC provides services in the following areas:

advance practice nurse care management·geriatric care management·assistance with aging at home·assisted living and nursing home placement·elder care consulting and counseling·medicaid eligibility·applications and consulting services·housing options for aging.

Call for our complete list of free information brochures.