

# Important New MassHealth Long-Term Care Insurance Law

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## The Problem

Individuals living alone who need extended care will need to “spend down” liquid assets to \$2,000 to qualify for MassHealth to pay their nursing home bill. In addition MassHealth will put a **lien** on the home and upon death will seek to recover money that was paid for care.

### *Result*

*The home, typically the largest asset, may not be able to be passed on to heirs.*

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## Good News—and an affordable solution

A recent *change* to the MassHealth estate recovery rules can be great news for homeowners (Bill S 2359). This law makes it easier to shelter the home from long-term care impoverishment. The bill grants an **exemption** when a minimum amount of long-term care insurance is obtained and used for care at *home*, or in assisted living or nursing facilities.

The minimum benefit of \$125 per day for 2 years is affordable for most- and should be considered as an option by Massachusetts’s homeowners in their financial or retirement planning. Monthly premiums will generally be under \$75 per month- and depending upon age and health can be substantially less than that.

### *Result*

*A minimal long-term care insurance benefit that costs, on average, less than \$75 per month can preserve the home worth \$500,000 – or more- for heirs.*

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***\*Unfortunately the new exemption pertains ONLY to long-term care insurance (individual policies) obtained after January 1, 2013. Coverage obtained prior to that date will not qualify for the exemption.***

Note: RetirementGuard does not provide legal advice; the information provided is a high level overview of Bill S 2359