



Government Benefits and Its Role in Paying for Long-term Care Supports and Services

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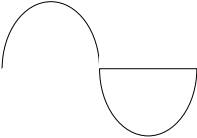
GET MEDICAID!

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Why Is This So Complex?

- ▷ Medicaid's Original Sin:

A Dual Federal / State System


- ▷ State Flexibility Through State Plans and Waivers
- ▷ State's Not Doing What They Should
- ▷ Politics

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SSI = Medicaid (Mostly)



01.
Section
1634
States

02.
SSI Criteria
States

03.
209(b)
States

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5 Steps for Social Security Medical Eligibility

- ▷ Substantial Gainful Activity (SGA).
2025 = \$1,620/month (\$2,700/month for blind individuals).
- ▷ Severity of Impairment.
- ▷ Listed Impairment.
- ▷ Past Relevant Work (PRW).
- ▷ Vocational Adjustment to Other Work.

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Earned Income and SSI

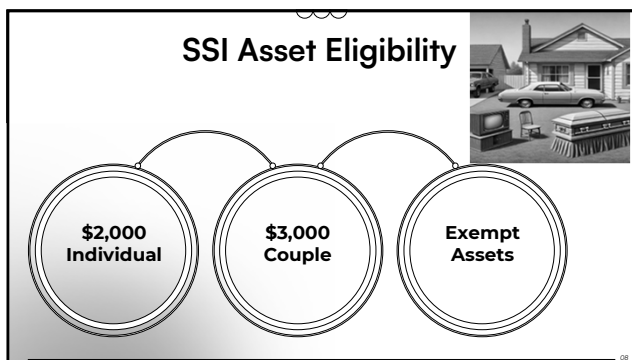
Earned Income	\$1,000
Apply the \$20 general income exclusion	<u>-\$20</u>
Totals	\$980
Apply the \$65 earned income exclusion	<u>-\$65</u>
Totals	\$915
Divide the remaining income by 2	<u>÷ 2</u>
Totals	\$457.50
Subtract countable income from the federal benefit rate	\$967 - \$457.50 = \$509.50 (\$509 SSI)

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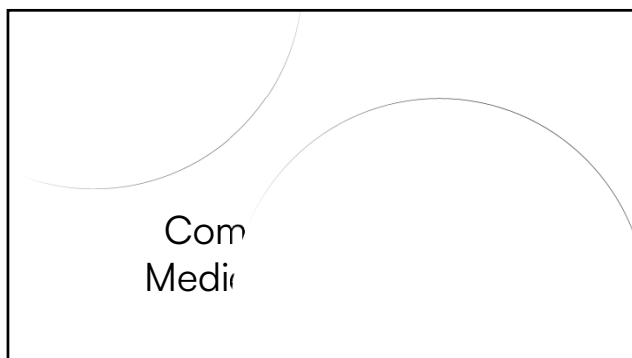
Unearned Income and SSI	
Earned income	\$1,000
Apply the \$20 general income exclusion	<u>-\$20</u>
Totals	\$980
Subtract countable income from the federal benefit rate	\$967-\$980 = \$0 SSI

Other Social Security Benefits = Unearned Income

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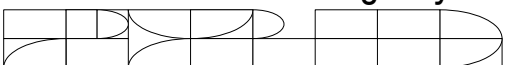


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Common Medicaid Income Eligibility Terms



01.

Federal Poverty Level (FPL):
\$1,305/month
(2025) in 48 states
in 2025.

02.

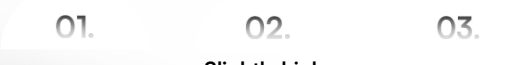
Federal Benefit Rate (FBR):
Maximum SSI
benefit: \$967/month
(2025) for
individuals.

03.

**Medically Needy
Income Level (MNIL)**
Varies by
state/geography.
Example: Spend down
\$1,000
if income is \$1,500 and
MNIL is \$500.

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Categorically Needy



01.

**No Income
Spend Down.**

02.

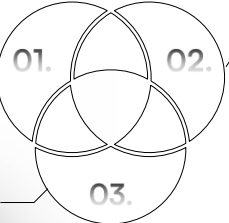
**Slightly higher
income limit than
SSI.
Usually 100% FPL
/ \$1,305 in 2025.**

03.

~28 States.

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Medically Needy



Must spend down
on medical
expenses until the
medically needy
income level is
reaches.

01.

02.

Income —
Medical
Expenses <
Medically
Needy
Income
Level.

03.

~34
States.

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Special Income Group

("300% of SSI Group").

01

Individuals who would otherwise require institutional care.

02

300% of the Federal Benefit Rate
\$2,901/month

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Medicaid Buy-In Programs

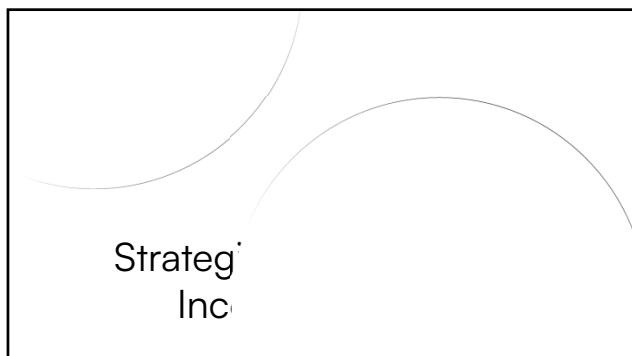
- Higher Medicaid Income / Asset Limits if the individual receives *earned income*.

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Childhood Disability Benefit (formerly DAC)

- Medicaid disregards additional Social Security income when child goes from SSI to Childhood Disability Benefits off a parent's benefit record.

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Can You Assign Income To SNT?

- ▷ Child or spousal support
- ▷ Annuities
- ▷ Military Survivor Benefit Plans
- ▷ Other Pensions?

Assignment Must Be Irrevocable and Before Age 65 (for standalone Trust!)

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Is A Miller Trust An Option?

- ▷ aka, Qualified Income Trust.
- ▷ Available in ~22 States.
- ▷ Income in excess of income cap is put into trust.
- ▷ Payback requirement.

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Other Income Eligibility Strategies

- ▷ Can client get into buy-in program?
- ▷ Can you get creative with medical expenses in a medically needy state?
- ▷ Advocate for higher limits in your state?
- ▷ Move?

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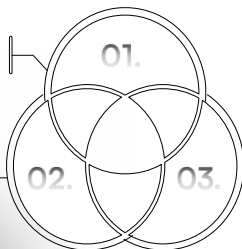
Strategi
As

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Asset Eligibility Strategies

Is there a MAGI-related Medicaid program that would work?

Can you convert countable assets to exempt assets?



For inheritances, is there a way to convert into 3rd Party money?

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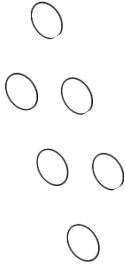
Special Needs Trust?

▷ **First-Party Standalone Special Needs Trust**

- Drafted by Attorneys.
- Trustee / Asset Flexibility.

▷ **Pooled Trusts**

- Managed by Nonprofits.
- Professional management / investment diversification.

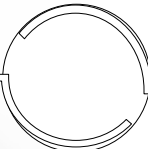


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ABLE Accounts

Pros of ABLE Accounts

- Independence/beneficiary control.
- Cheap.
- Tax-free growth.
- Investment diversification.
- Wide distribution discretion.
- Cheap TrueLink card.



Cons of ABLE Accounts

- Disability began before 26 (46 is 2026).
- The \$18,000 annual limit (tied to gift tax exemption).
- Spotty customer service.
- ABLE accounts can only handle cash.

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Other Asset Eligibility Requirements

01.

Is a Medicaid Buy-In Program an option?

02.

Divest assets?



03.

Move?

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