

# CPT SPECIAL NEEDS TRUST

## QUICK REFERENCE SHEET

Problem and trust solution strategies →	Pooled SNT	Individual SNTs	Private SNTs	Co-Trustee SNTs
<b>Protects Medicaid &amp; Supplemental Security Income</b>	✓	✓	✓	✓
<b>Client over age 65</b>	✓		Transfer penalty applies	
<b>Individual can enroll</b> <i>(State may require petition for settlements)</i>	✓			

**#1 Problem:** Client is awarded a settlement but, the injury sustained has resulted in a permanent disability and/or the client injury has made them uninsurable, therefore potentially eligible for Medicaid. The case award is attributable to medical costs associated with the injury and any other unrelated or unanticipated medical costs while uninsured could significantly impact settlement funds. How do you protect client's **insurability and/or benefit eligibility?**

**Problem 2:** Client currently qualifies for or receives Medicaid and Supplemental Security Income (SSI). The award will jeopardize benefit eligibility.

**Problem 3:** Client has a dependent that has or is qualified for Medicaid and/or SSI. Any award will deem to the dependents therefore compromising benefit eligibility. Your client must receive at least one dollar of Supplemental Security Income to maintain eligibility for Medicaid.

**Problem 4:** Client receives SSI, any income or resource will cause a dollar for dollar reduction in SSI benefits. If client receives funds that cause them to lose SSI they may lose their eligibility for Medicaid.

**Solution:** Funds must be placed in an **first party Special Needs Trust**. Assets are exempt for government benefit eligibility therefore **MEDICAID AND OR SSI ELIGIBILITY IS PRESERVED**. When utilizing an Individual or Pooled Special Needs Trust, a lien, accrues during the beneficiary's lifetime at Medicaid's wholesale medical costs rates rather than retail healthcare. The lien must be paid back to the state for costs to provide Medicaid or SSI during the beneficiary's lifetime.

**CAUTION:** When utilizing a structured settlement with any Special Needs Trust, **a Commutation Rider is required**, to assure the state may recover lien. In addition be sure the authority to establish the trust has been determined.

### DISCLAIMER

The following forms are provided by CPT for informational purposes only and are intended to be used as a guide prior to consultation with an attorney familiar with your specific legal situation. CPT is not engaged in rendering legal advice, and this form is not a substitute for the advice of an attorney. If you require legal advice, you should seek the services of an attorney.

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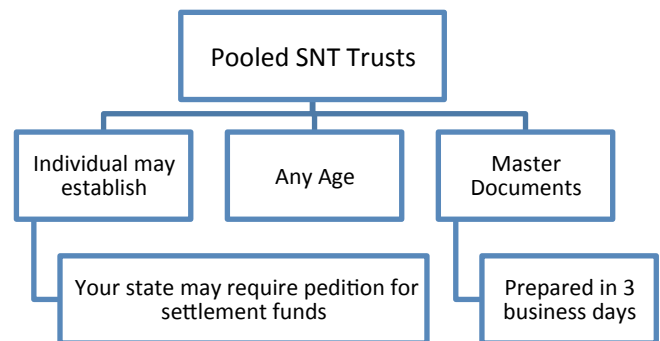
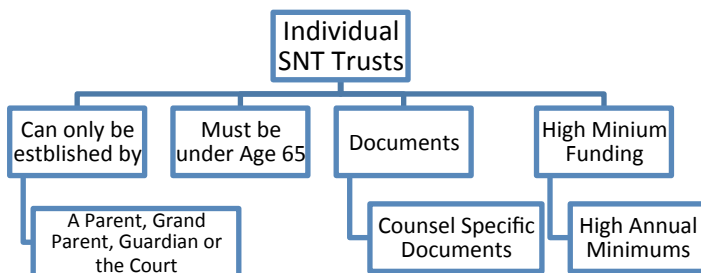
# CPT SPECIAL NEEDS TRUST

## Allowable – Sole Benefit to Beneficiary

- Attorney, care manager, other professionals
  - Supplemental medical needs
    - Cable TV
    - Internet
    - Entertainment
  - Vacation or visitation
  - Personal care (hair, nails, etc)
    - Lawn care
- TV, stereo, computer, other electronic equipment
- Items or services not listed in restrictions
  - Education

## Non-Allowable - Shelter Related or In-kind Support or Maintenance

- Non-prescription food
- Real property taxes
- Mortgage, including insurance
  - Heating fuel
    - Gas
  - Electricity
    - Water
    - Sewer
- Garbage removal



## SSI Eligibility

- Evidence of disability.
- Financial need required.
- For supplemental needs.
- Income test determines how much you receive.

## Countable Resources

- Anything that can be converted to cash.
- Calendar month not to exceed \$2,000 or public benefits will be lost.
- Assets the individual does not have legal rights to are not counted.

## Exempt Resources

- A home with ownership interest and as principal residence.
- One automobile of fair market value, many states set a value limit.
- Exceptions
  - Modified for operation for or by a handicapped person.
  - Necessary for: Employment, medical treatment or essential daily activities.
- Items related to the disability.
- Life insurance with a cash surrender value, if their total face value amount is less than \$1500 and all term life insurance.
- A burial plot, or other burial space, no amount limit to date.
- Up to \$1,500 set aside for burial expenses, varies by state.

If an individual receives at least \$1.00 of SSI, in many states the individual will receive full scope Medicaid.

## Covered services include:

- Medically necessary durable medical equipment.
- Pharmaceutical goods.
- Medical services.
- Hospitalizations.
- Nursing care.
- Many regional center benefits.
- In-Home support services:
  - Personal care services.
  - Domestic services.
- Accompaniment services to medical appointments and programs.
- Paramedical services and protective supervision.