



Living a Self-Directed Life with a Special Needs Trust

Presented by

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Mission Statements



To improve the lives of people of all ages with disabilities across Wisconsin through the management of special needs trusts to provide more choice, more opportunities, and a better quality of life.



To help people live a life of their choosing regardless of age or ability.



Objectives

- You will know what Self-Direction means.
- You will know what a Special Needs Trust is.
- You will understand how to use a Special Needs Trust to self-direct a life.
- You will understand how the Special Needs Trust works. What it can pay, how it pays, and what it cannot pay.

IT'S ALL ABOUT ME

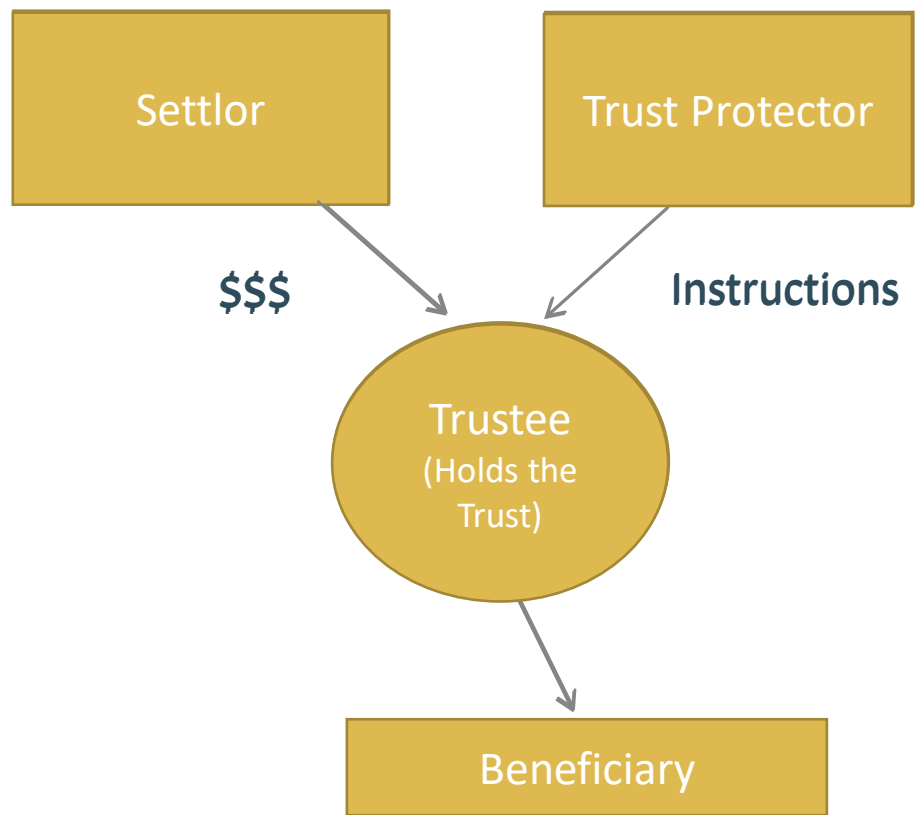
Activity

- What time did you go to bed last night?
- What time did you wake up today?
- What did you eat for breakfast this morning?
- Did you watch TV last night?
- What did you watch?
- Did you shower or take a bath?
- What time do you like to shower or take a bath?
- What is your favorite flavor of ice cream?

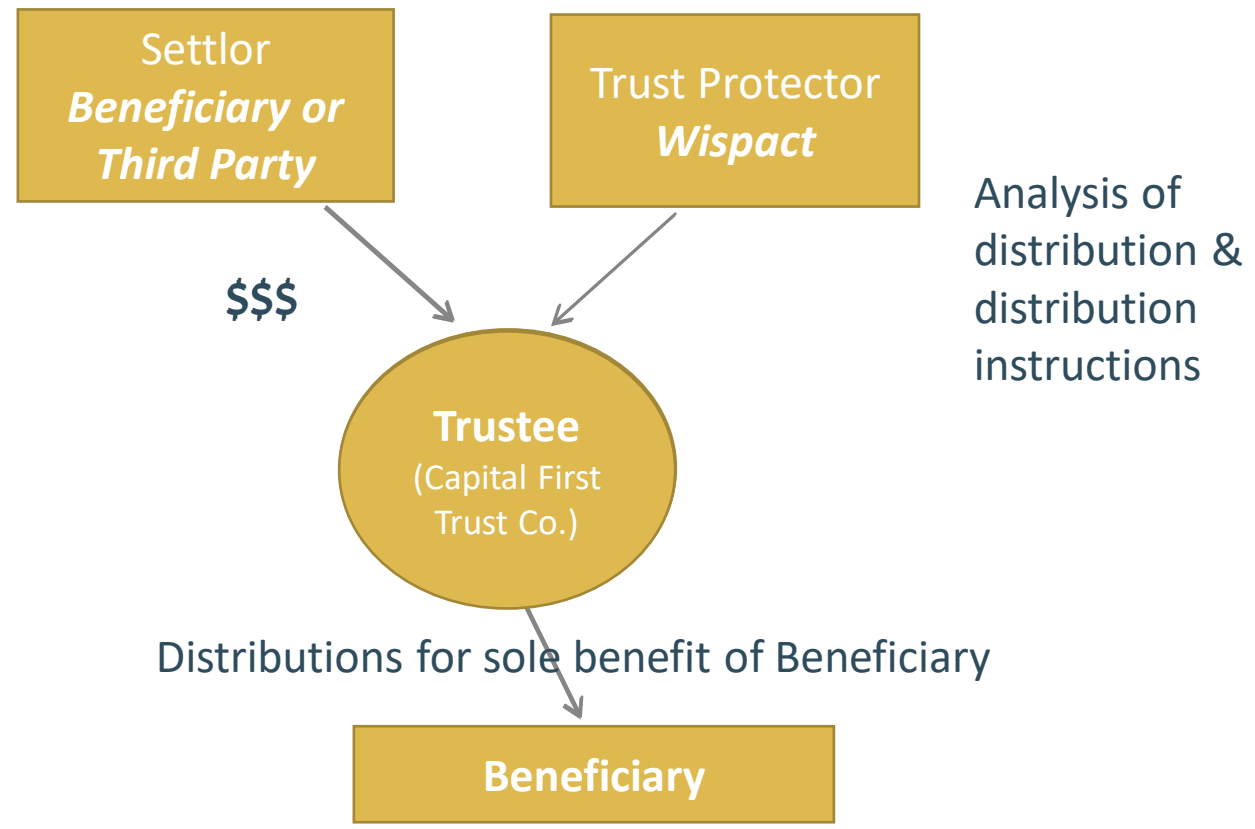
What Is **Self-Direction**?



What is a Trust?



What is a Special Needs Trust?



Special Needs Trust - WHY?

Why would a person need a Wispect Special Needs Trust?

1) **EXEMPT**: Assets held in a Wispect Special Needs Trust are an exempt resource for Wisconsin Medicaid and SSI purposes.

- 1) See MEH 16.6.6
- 2) See PMS SI 01120.200

2) **NOT A DIVESTMENT**: Transferring assets to a Wispect Special Needs Trust for your own benefit is not a divestment. There are also exceptions to funding trust for a person's disabled child – these are very individually-specific rules and they should speak with an attorney.

- 1) See MEH 17.13.4

Special Needs Trust – WHY?

Special Needs Trust - WHY?

Why would a person need a Wispect Special Needs Trust?

- 3) **Preserve excess resources** while maintaining eligibility for means-tested public benefits.
- 4) Resources held in a Special Needs Trust are **professionally managed and distributed per strict regulations and guidelines**, however they enable an individual on means-tested public benefits to supplement their long-term needs and improve their quality of life.

So, someone over the age of 65 needs a Disability Determination?



MA Eligibility (generally)

1. Non-Financial: EBD (Elderly, Blind, or Disabled; Elderly = +65)
2. Financial: Assets under \$2,000

What about the assets in the Wispect Trust?

In order to exempt the SNT from the FINANCIAL component of eligibility, the person needs to be determined disabled. Though they may be +65, they need the formal Disability Determination, typically achieved by filing a MADA application and writing “Wispect” at the top.

Who needs a Wispect SNT?

- Creating and funding a Special Needs Trust is an option for anyone who needs to do a “spend down” if they suddenly need to qualify for means-tested benefits, or if they are currently enrolled in means-tested benefits and they come into a windfall.
- Individuals on MA and/or SSI that receive a personal injury settlement, sell their property, receive an inheritance, receive a divorce settlement, cash in a life insurance or retirement account, among other situations.
- Why is a SNT a good option?
 - Rather than quickly, and perhaps wastefully spending down in the month in which they receive the settlement, preserving funds in a Wispect Special Needs Trust allows the person to save the funds to pay for ongoing long-term needs.

What can be included in a Wispect Trust?

- Generally, only cash is accepted in a Wispect Trust.
- Sometimes the Trustee may make exceptions for non-cash, “unique” assets, however this is a formal request procedure completed with their attorney and is decided on a case-by-case basis and only under very specific situations.

“Common” Distributions

- Dental expenses not otherwise covered
- Private room differential
- Health and beauty expenses
- Entertainment (books/movies/cable tv)
- Travel (possibility that a travel companion may be covered)
- Healthcare and prescription medications co-pay
- Private Caregiver
 - Self-directing services and supports

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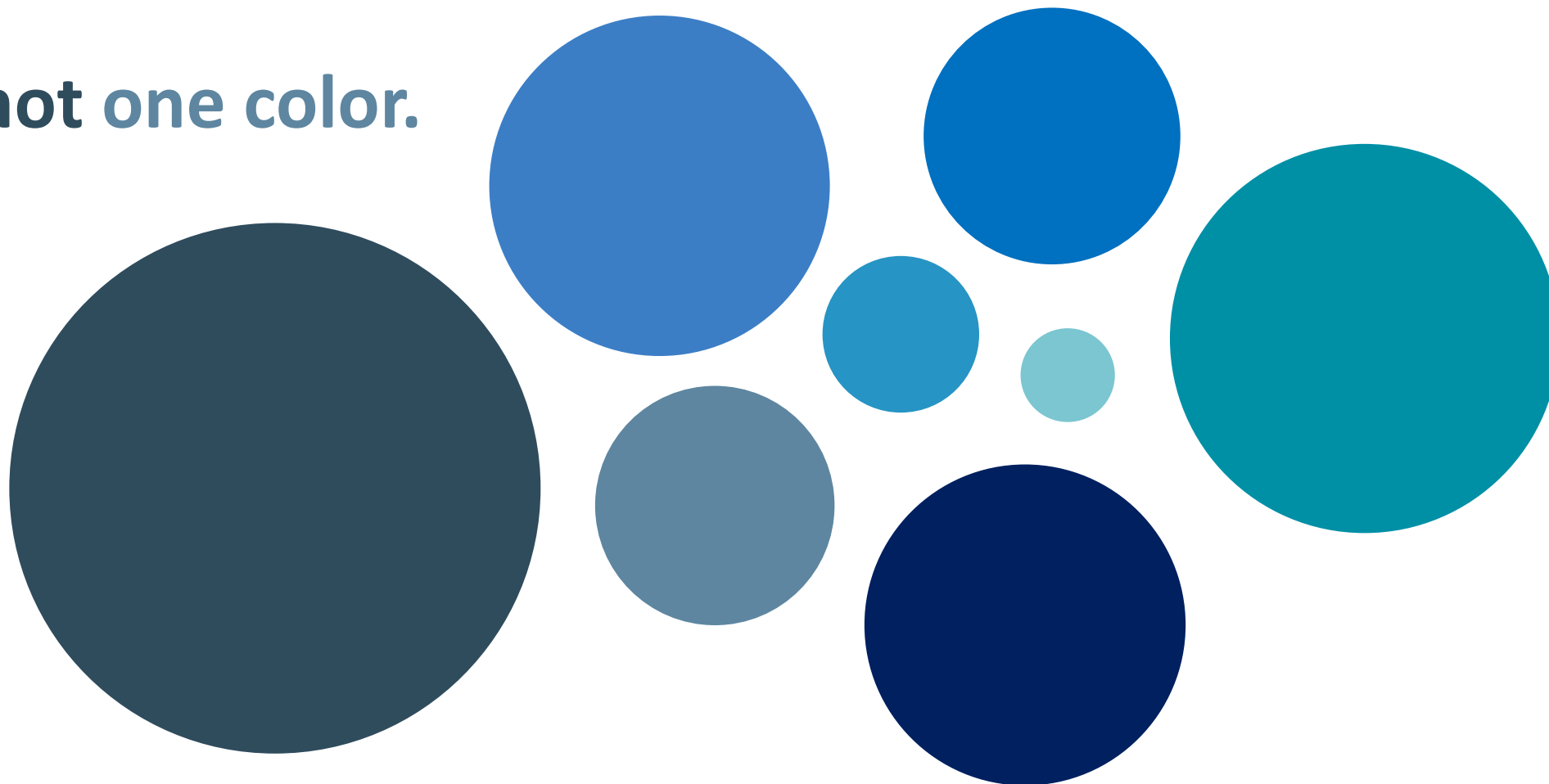
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Activity

- What time did you go to bed last night? **10pm**
- What time did you wake up today? **6am**
- What did you eat for breakfast this morning? **Raisin Bran cereal with skim milk**
- Did you watch TV last night? **Yes**
- What did you watch? **Survivor**
- Did you shower or take a bath? **Bath**
- What time do you like to shower/bath? **6:30am**
- What is your favorite flavor of ice cream? **Sherbet**



Blue is not one color.



Advantage of Self-Direction

Self-Direction means living YOUR life on YOUR Terms



Care Delivery –

You can make decisions of how, when and where you want to receive your care. You decide who in your life will provide your cares, goods and services.

Remaining in Home –

Care services can be provided in an individual's home and/or their community. Individuals do not need to worry about changing their community or their familiar surroundings.

Supplemental Care –

You can use your Special Needs Trust to supplement long-term services/supports you are receiving through waiver funds. You can meet your respite, supportive home care, personal care and/or companionship needs.



Self-determination and Self-direction let people of all ages, with all types of abilities, maintain their independence at home and in their community by choosing **who, what, when, and how** services are provided to them.

Wispect Trust + Private Caregiver

- **With limits to MA funds, preserving funds in a Wispect Trust may allow a person to privately supplement caregiving hours.**
 - IE: A person has 5 hours of in-home care however they prefer more hours; they may privately engage with a caregiver to provide supplementary hours and privately pay through their trust funds.

- **How is the relationship set up?**
 - The Beneficiary will work with an attorney to create a personal services agreement/contract. This will outline the services to be provided and compensated. If approved a fiscal agent (ie: GT Independence) provides the payroll support. The Trust is not the employer, the Beneficiary is the employer.

Why a Fiscal Agent?

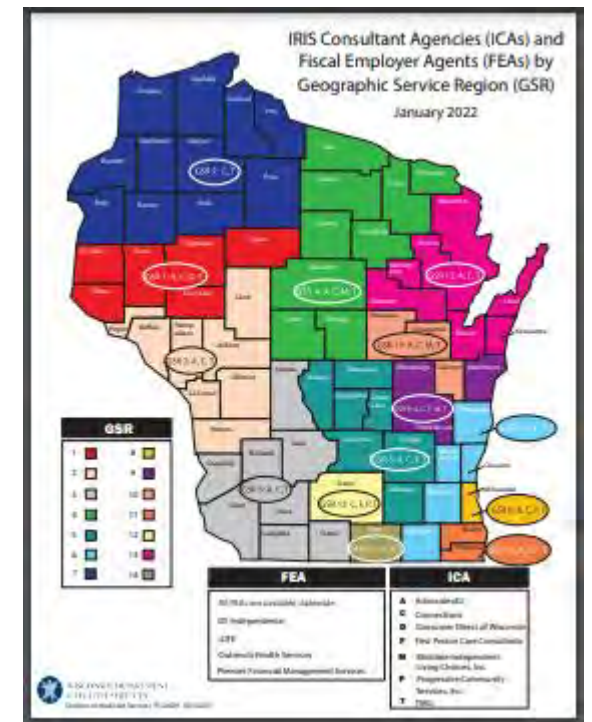
- **A Fiscal Agent will provide and assist**
 - Onboarding, explanation and completion of the forms
 - All payroll functions, tax withholding and tax reporting
 - Ongoing, detailed reporting for your budget management needs
 - Customer Support

Who is GT Independence?

- Established in 2004
- Family-owned and operated
- Multi-state Financial Management Services
- Statewide in Wisconsin

Self-Directed Programs

- Medicaid Waivers
- Children's LTC Supports
- Family Care
- IRIS (I Respect, I Self-direct)
- Private Pay
- Special Needs Trust



1st Steps for Long-Term Supports

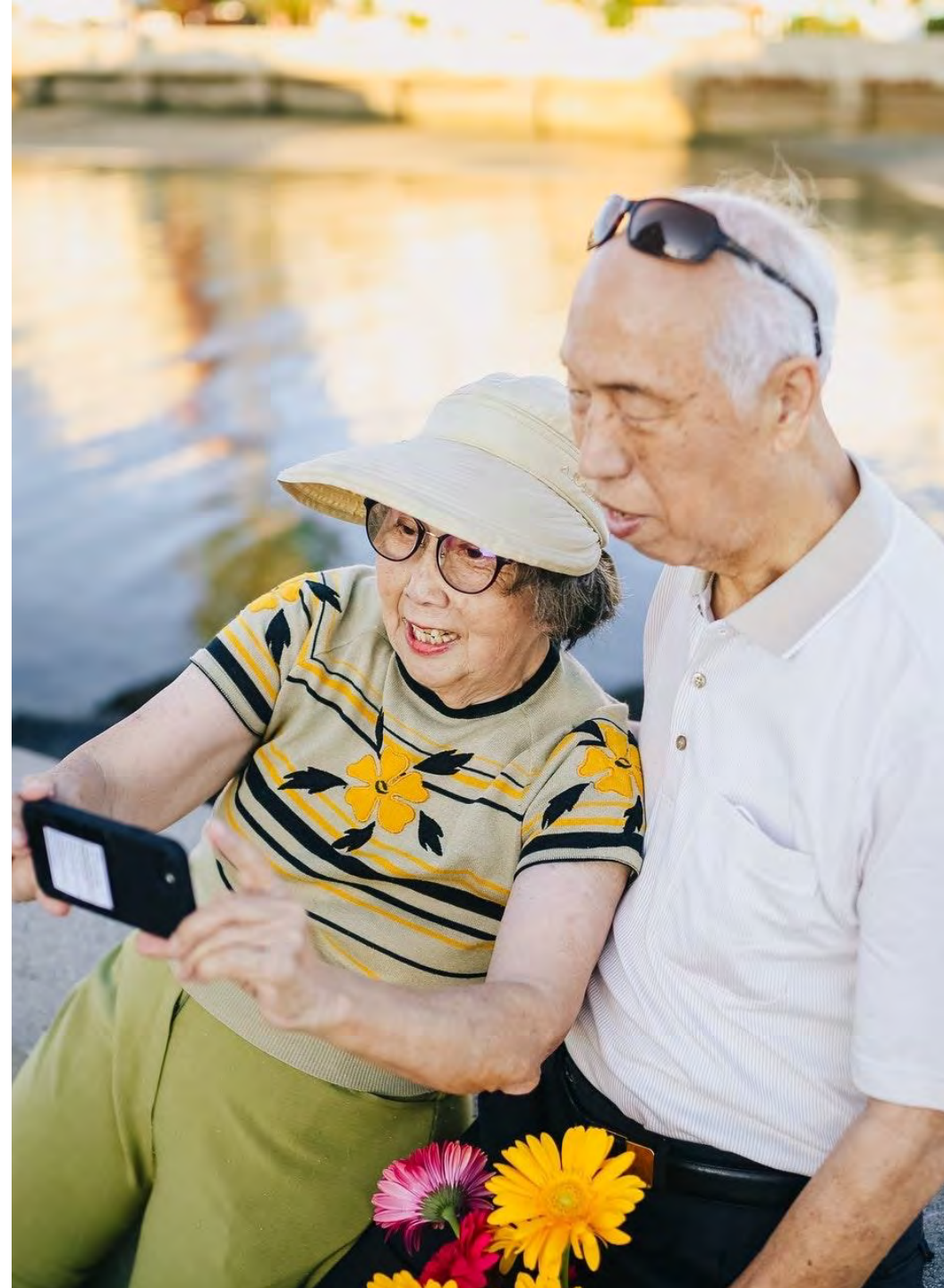
- Aging & Disability Resource Center (ADRC)
 - <https://www.dhs.wisconsin.gov/adrc/consumer/index.htm>
 - <https://www.dhs.wisconsin.gov/adrc/consumer/tribes.htm>
- Unbiased information
- Eligibility for public funding for long-term care services and supports
- 1:1 consultation of the pros/cons of various options
- Connection to resources

What a Trust cannot fund?

- A Trust cannot buy gifts, even Christmas gifts!
- The Trust can only pay the Beneficiary's pro-rata share of household expenses
 - Example: 4 people live in the same home, the trust can pay one-fourth of the electric bill
- If the Beneficiary is on SSI, we generally cannot pay for food or shelter expenses as this is considered in-kind support and maintenance, and will reduce their SSI dollar for dollar, maxed out at one-third of the FBR.

How are bills paid?

- **We cannot ever give a Beneficiary cash!**
- We require receipts for all Request for Distributions.
- How do people typically get things paid for?
 - Automatic recurring payments sent to Wispect
 - Direct payments to vendor
 - Reimbursements to Trust Agents
 - Credit card payments



What happens to the funds upon the Beneficiary's death?

➤ Dependent on the **type of Trust** the Beneficiary has:

➤ **Wispect Trust I** (a/k/a D4C Pooled Trust)

When a Beneficiary passes away our Trustee notifies the Wisconsin Estate Recovery Program. If the person has an Estate Recovery Payback Claim against them, then how the trust is paid out depends on two factors:

1. What is left in the Trust
 2. What is owed to Estate Recovery
- If what is left in the Trust is insufficient to payback Estate Recovery, then the funds are retained by the Wispect charitable fund for the benefit of other Wispect Beneficiaries.
- If what is left in the Trust is sufficient to payback the Estate Recovery (ER), ER claim is paid, and any remainder is paid to the Trust creator's heir of choice.

What happens to the funds upon the Beneficiary's death?

- Dependent on the **type of Trust** the Beneficiary has:
 - **Wispect Trust II** (a/k/a Third Party Trust)
 - As the assets were never the Beneficiary's during their lifetime, the remaining funds are not subject to the Estate Recovery Payback and are paid out as dictated by the Creator's Trust document.

Charitable Funds?

- Wispack Beneficiaries can apply for charitable grants to cover any needs that their trust may not be able to cover for them or a purchase which may significantly deplete their trust.
 - Examples:
 - **Advocacy:** grants to hire an attorney/other advocate to dispute/assist with an overpayment, an eviction, bankruptcy, etc.
 - Creation Subsidy Program
 - **Dental:** grants to pay for dental work that their trust cannot cover
 - **Transportation:** grants to pay for needed transportation, ie: bus passes
 - **Therapies/Healthcare** expenses not covered
 - **Financial Literacy,** ie: assistance with budgeting



In Summary

- Wisconsin is a national leader in the field of Special Needs Trust administration.
- A Wispect Trust can be a great alternative for you to avoid a wasteful spenddown.
- Supplementing a person's long-term care needs makes a person happier and more satisfied which results in a healthier lifestyle.
- Supplementing and/or choosing your own providers empowers a person to live a self-directed life.
- Supplementing is a true cost-savings to our public benefits programs.



“ Independent living is not doing things by yourself its being in control of how things are done.

Judy Heumann

Q & A

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Thank You

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