

Joint Committee on Health Care Finance
Room 256
Statehouse
Boston, Massachusetts 02133

To The Committee:

Last Spring and Summer I was working with my brothers and sister in managing the elder care needs of our father, who lives in New York State. As it became clear that our father was going to transition from assisted living into nursing home care, we began making plans for payment for the monthly nursing home costs.

Most of his money was in an IRA that he had saved during many years of self employment. We learned that our father would qualify for Medicaid in New York State, as long as the annual distributions from his IRA were applied to the cost of his nursing home care. New York State does not require that the IRA be cashed out, or turned into an annuity.

Currently, Massachusetts has a different treatment for IRAs and pension savings accounts when elderly people need nursing home care. In Massachusetts, retirement fund protection is only available for an employer sponsored pension when the spouse of the person who needs care is still working. IRA accounts are not protected. In Massachusetts, the only way a retired spouse of the person who needs care can save her pension or IRA from being counted as an asset is to transfer the pension or IRA into an annuity.

Families and spouses are going through a time of crisis when a loved one is being admitted into a nursing home. Adding complicated and cumbersome financial decisions about IRA and pension savings accounts to the family's dealings with a medical care crisis makes an overwhelming situation even worse.

I am writing to ask you to consider allowing the Legislature to consider ***An Act Regarding the Assets of Medical Assistance Recipients SB 540, HB 1094***. This bill will allow the community spouses of nursing home residents to retain their IRA's by making the IRA account a non-countable asset when their spouse needs Medicaid to cover nursing home care.

This change in the law will permit a community spouse of a nursing home resident to retain an IRA or pension account without having to liquidate the account or transfer it into an annuity investment that may or may not be safe from financial risks.

This change will also encourage older self employed workers to continue contributing to IRAs. The change will allow them the same spousal protection for their Individual Retirement Accounts that is already provided to spouses who are working at jobs where an employer is holding their retirement savings in a pension fund.

State Representative Angelo J. Puppolo, Jr.
State House District Office
Room 146
State House
Boston, Ma 02133

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Most of his money was in an IRA that he had saved during many years of self employment. We learned that our father would qualify for Medicaid in New York State, as long as the annual distributions from his IRA were applied to the cost of his nursing home care. New York State does not require that the IRA be cashed out, or turned into an annuity.

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Families and spouses are going through a time of crisis when a loved one is being admitted into a nursing home. Adding complicated and cumbersome financial decisions about IRA and pension savings accounts to the family's dealings with a medical care crisis makes an overwhelming situation even worse.

I am writing to ask you to support ***An Act Regarding the Assets of Medical Assistance Recipients SB 540, HB 1094***. This bill will allow the community spouses of nursing home residents to retain their IRA's by making the IRA account a non-countable asset when their spouse needs Medicaid to cover nursing home care.

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