

Care Managing in Today's Economy

Part II -Caregiver Agreements & Public Entitlements

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In the previous article I discussed a caregivers need to to provide quality care and the necessity to be compensated for that time. A caregiver agreement may be a means to meet those needs.

Caregiver agreements may be useful tool when applying for government entitlement programs such as VA Aids & Attendance & Medicaid. For the VA program, a carefully written caregiver agreement may provide the necessary verification of ongoing medical expense required to establish eligibility. For Medicaid, it can provide a method of spending down the applicant's resources to meet resource eligibility requirements. The advantages of such agreements are clear:

1. Provides the caregiver relative with income.
2. May provide a level of comfort for the elderly person to be cared for by a familiar trusted family member.
3. Avoids tension among family members.

As a Medicaid planning tool, it is especially important to avoid the appearance of a transfer of assets in order to qualify for Medicaid. The contracts need to enumerate specific duties of the caregiver, and include elements of amount of time to be spent and rate of compensation.

In New Jersey, the reality is that individual counties may have differing standards of what is considered acceptable. In discussion with a supervisor in one county, I have been told that any rate of compensation above minimum wage would be treated as a transfer of assets unless the caregiver had appropriate qualifications to receive a higher rate. Thus, if the caregiver was a registered nurse, then the rate normally given to a registered nurse would be appropriate. Other counties have indicated that rates would be based on the average hourly rate a local agency would charge to perform those services. This policy is similar to the standards that would be applied for a VA application. Given the inherent difficulties in fighting a standard applied by an individual county, my company usually recommends tailoring the agreement to the prevailing county standards.

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