



**ELCO MUTUAL**  
LIFE & ANNUITY



# Medicaid Compliant Annuities

Help accelerate your eligibility for Medicaid\*

ELCO Mutual Life & Annuity | **Medicaid Compliant Annuities**

916 Sherwood Drive  
Lake Bluff, IL 60044  
[elcomutual.com](http://elcomutual.com)

*\*Eligibility not guaranteed*

# Find Solutions for Long-Term Care Costs

The process of transitioning a loved one into a nursing home can be financially and emotionally taxing. On top of that, learning the complexities of Medicaid can easily cause added stress. Medicaid can be a beneficial tool to help assist with ever-growing long-term care costs, and Medicaid Compliant Annuities can help accelerate eligibility for those benefits.

## What is a Medicaid Compliant Annuity?



Medicaid Compliant Annuities (also known as MCAs) are single premium immediate annuities that can convert your retirement savings into a stream of income. The annuitant is paid over a fixed period with the purpose of helping them or their spouse accelerate their financial eligibility for Medicaid.

## What is Medicaid?

Medicaid is a powerful tool built to help individuals with limited means pay for medical expenses. These funds can be used for long-term care costs as long as the individual meets the eligibility requirements. Qualifications can vary depending on the state you reside in.

## Eligibility for Medicaid

- ✓ **Applicant must be 65 years old or disabled**
- ✓ **U.S. citizen or qualified alien**
- ✓ **Must be residing in a Medicaid-approved facility**
- ✓ **Income of applicant must be below cost of care**
- ✓ **Assets of the applicant and spouse must be below a certain threshold**

In addition to these qualifications, there might be additional state requirements. You can find these out in the Deficit Reduction Act or through your local agent or elder law attorney.



The average cost of a semi-private room at a nursing home is \$93,072.<sup>1</sup>

<sup>1</sup>Source: <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>



## Product Details

- ✓ **Minimum: \$5,000**
- ✓ **Maximum: Varies depending on duration.**  
*Please contact the home office for complete details.*

## Who Could Benefit From an MCA?

- ✓ **Those residing in a nursing home**
- ✓ **Those who have exhausted Medicare or long-term care insurance benefits**
- ✓ **People paying out of pocket for care**
- ✓ **Those with excess countable assets**



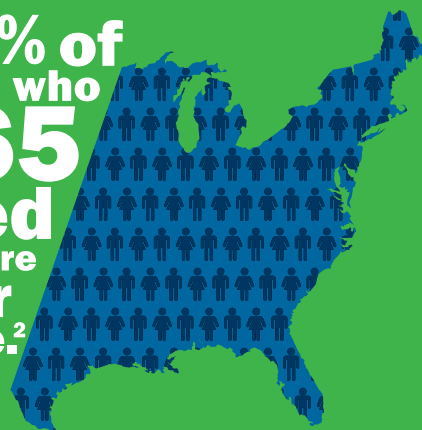
According to the U.S. Department of Health, 75% of single people and 50% of married couples will wipe out their savings within one year of entering a nursing home.

## What Makes an Immediate Annuity Medicaid Compliant?

- ✓ **Must be irrevocable**  
*The parties and payment terms cannot be changed*
- ✓ **Must be non-assignable**  
*Contracts cannot be assigned to a third party or sold to a secondary market*
- ✓ **Must be a fixed, actuarially sound term**  
*The term must be equal to or less than the annuitant's life expectancy. There cannot be any life contingencies\**
- ✓ **Must make equal payments**  
*Payments being made to the annuitant must be level. This means they must remain the same for the entire payout period*



**Over 50% of  
Americans who  
turn 65  
will need  
long term care  
in their  
lifetime.\***



\*Life expectancy may vary by state

<sup>2</sup>Christine Benz, morningstar.com, August 2018, <https://www.morningstar.com/articles/879494/75-must-know-statistics-about-long-term-care-2018-edition>

ELCO Mutual is not associated with any government agencies, entities, or programs. Medicaid qualification is based on your state requirements and qualification is not guaranteed.

## Notes

This image shows a full page of blank, lined paper. It features approximately 20 horizontal blue lines spaced evenly across the page, typical of notebook or composition paper. The lines are thin and light blue, set against a plain white background. There are no margins, text, or other markings on the page.

## Why ELCO?

ELCO Mutual is a financially stable company that has been assisting seniors with their financial planning for over 75 years. ELCO Mutual has been in the MCA market for over 20 years and continues to find the best possible solutions for its current and future clients.



## Contact Information

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