

MISSISSIPPI DIVISION OF MEDICAID
LONG-TERM CARE INCOME TRUST

THE _____ INCOME TRUST

WHEREAS, _____, hereinafter referred to as the Settlor, now has a monthly income that exceeds the current Medicaid income limits, and;

WHEREAS, the total monthly income received by Settlor is not sufficient to pay for expenses associated with long-term care services and related services, and;

WHEREAS, Settlor's other assets have been exhausted by Settlor's long-term care expenses, and;

WHEREAS, the principal purpose of this Trust is to receive all income payments due Settlor in excess of the Settlor's cost of care, including Social Security benefits, retirement benefits, interest, dividends, or other income. The Settlor's cost of care will be determined by the daily rate that Medicaid pays the nursing facility in which the Settlor resides. If the rate for the facility is less than the Settlor's income, the excess income will be used to fund the income trust. If the rate for the facility is more than the Settlor's income, the Settlor's total income, less authorized deductions, will be paid to the nursing facility. Any income in excess of the Settlor's cost of care will be retained as part of the Trust. Income cannot exceed the private pay rate for the nursing facility in which the Settlor resides. If total income is determined to be in excess of the private pay rate for a 31-day month for any month, Medicaid eligibility will be denied or terminated for the month(s) under determination.

WITNESSETH:

This _____ Income Trust Agreement is entered into between

_____, "Settlor", and _____, "Trustee", who agree as follows:

(A) A portion of the Settlor's income may be protected in the month of entry into long term care. When income protection is applicable, there is no cost of care payable to the nursing facility. However, income above the amount that is \$1 less than the Medicaid institutional income limit is payable to the Division of Medicaid within 30-days after receipt of the notice issued by the Division of Medicaid approving eligibility. The approval notice will inform the Trustee of the amount payable.

(B) In all subsequent month(s) or if income protection for the month of entry does not apply, the Trustee shall place all income in excess of the Settlor's cost of care into the Trust, and the Trustee shall hold such income under the following terms and conditions:

(1) Trustee shall retain the income in excess of the Settlor's cost of care in the Income Trust Account.

(2) At the time of each review of the Settlor's Medicaid eligibility (at least annually) while this trust is in existence, if the Settlor's income exceeds the cost of care, the Division of Medicaid will notify the Trustee of the amount that should be accumulated in the trust. The Trustee will then be requested to make payment of this amount to the Division of Medicaid up to the total amount expended by the Division of Medicaid on behalf of the Settlor that has not previously been repaid to Medicaid. Failure to make the requested payments will result in the loss of Medicaid eligibility for the Settlor.

(3) This trust will terminate upon the death of the Settlor; when the Settlor's Medicaid eligibility is terminated; when the Settlor's income no longer exceeds the current Medicaid income limits; or when the trust is otherwise terminated. At that time, any income amounts accumulated in the trust shall be paid over to the Division of Medicaid, State of Mississippi, up to the total amount expended by the Division of Medicaid on behalf of the Settlor that has not previously been repaid to Medicaid.

(C) When requested, the Trustee shall furnish to the Division of Medicaid, State of Mississippi, an annual accounting to show all receipts and disbursements of the trust during the prior calendar year.

(D) The Trustee shall maintain the trust funds on deposit in a federally insured banking institution.

(E) No Trustee shall receive a Trustee's fee for services rendered to the trust, however, reasonable bank charges will be allowed.

(F) The Trustee shall give written notice to the Division of Medicaid, State of Mississippi when the Settlor dies or when the trust is otherwise terminated.

(G) The provisions of this Trust shall be interpreted under the laws of the State of Mississippi.

The effective date of this trust shall be _____.

IN WITNESS WHEREOF, this _____ Income Trust Agreement

has been executed on this the _____ day of _____, 20____.

Trustee

Settlor

STATE OF _____

COUNTY OF _____

Personally appeared before me, the undersigned authority in and for said county and state, on the _____ day of _____, 20____, within my jurisdiction, the within named _____, who acknowledged that (he) (she) executed the above and foregoing instrument.

(NOTARY PUBLIC)

MY COMMISSION EXPIRES:

STATE OF _____

COUNTY OF _____

Personally appeared before me, the undersigned authority in and for said county and state, on the _____ day of _____, 20____, within my jurisdiction, the within named _____, who acknowledged that (he) (she) (they) executed the above and foregoing instrument.

(NOTARY PUBLIC)

MY COMMISSION

TRUSTEE INFORMATION:

NAME: _____ SSN: _____

TELEPHONE NUMBER: _____

ADDRESS: _____

RELATIONSHIP TO SETTLOR: _____

(Rev 6/08)