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Re: Long Term Care Planning
Legal Advisory

Dear Clients and Friends:

You are receiving this letter because we are confident that our services will be of considerable value to you and your loved ones.

One of the core issues this year has been the status of the implementation process of California's new Medi-Cal law. The new Medi-Cal law should have been implemented by now. However, owing to the severity of the economic crisis across California, and the United States, the implementation process of the new law ground to a halt. Based on discussions with individuals on the "front lines" of this process we are confident that the new law will take effect **late fourth quarter 2010 or early first quarter 2011.**

Many of our clients took advantage of the planning opportunity that continues to exist under the current law and we urge you to do the same if your situation warrants such planning. If, after reading this letter, you would like to discuss establishing a new estate or long-term care plan or have your existing plan reviewed, please contact our scheduling assistant, (info@zarcaro.com), to arrange an appointment.

Although we recognize that the substance of this letter may not be pertinent to your current situation; we hope to shed light on an often misunderstood and presently changing area of law: "Medi-Cal Long Term Care Planning." **We CANNOT overstate the urgency and importance of the immediate planning necessary to respond to the upcoming law changes addressed in this letter.**

We are concerned that impending changes in this area of law may negatively affect a vast number of people who are caught unaware. This could be you, your parents, your relatives, your neighbors, and any other persons close to you who may need long term care in the next five years. It is our goal to help you and those closest to you from unnecessarily losing all or a portion of the hard earned family assets because of failure to properly plan. With the cost of nursing home care ranging from \$6,000-\$10,000 per month, even those families with seemingly significant assets can be left devastated as they struggle to manage these ever increasing costs.

First, it is important to dispel the stigma associated with this area of law. Contrary to popular belief, Medi-Cal Long Term Care Planning is not a service restricted to individuals receiving public benefits. It is a planning opportunity which pertains to families with a home and other assets needed to support the senior member of the family for the remainder of his or her life.

The upcoming modifications to California's Medi-Cal law are rapidly drawing to a close. Although President Bush signed the changes to the federal Medicaid Long Term Care program into law on February 8, 2006; Governor Schwarzenegger did not execute the state law changing California's Medi-Cal program until September 27, 2008. Even though those statutory changes contained in California Senate Bill 483 became

effective on January 1, 2009, the Medi-Cal Long Term Care program will continue to operate under existing law until new regulations can be drafted by the California Department of Health Care Services (DHCS). The process has been slow moving, but it is now certain that we will be operating under new Medi-Cal law within the next few months. **This leaves very little time to take advantage of the benefits of the current law.**

To help you better understand the impact that the new Medi-Cal law will have on Medi-Cal Long Term Care Planning, **under the existing law we can protect your home and all your other assets; under the new law there will be limits on the amount of equity that we can protect in your home and we may be able to protect only half of your other assets.**

As should be clear from the above discussion, Long Term Care Planning under the existing law is much more flexible and “client friendly” than it will be under the new regulations. If you wish to discuss and/or review your options for Long Term Care Planning under the existing law please contact our scheduling assistant at (760) 918-0929 or by email at info@zarcaro.com as soon as possible to schedule an appointment.

We expect the change in law to be in effect within the next few months. If you believe that the items discussed in this letter apply to you or a loved one it is **essential you act immediately**. If you have any questions, please feel free to contact our office and speak with Mr. John Zarcaro.

Regards,
ZARCARO & ASSOCIATES, A.P.C.



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Investment advice provided by John Zarcaro, Inc., a Registered Investment Advisor.