

# Elder asset protection company expects business increase



Photo by Lisa Bul/The Patriot Ledger

*Philip Amaru and Laureen Vaughn founded the Commonwealth Advisory Group in Dedham, which specializes in Medicaid planning for elderly people whose spouses go into nursing homes.*

By A.J. Bauer

GateHouse News Service

Wed Jan 09, 2008, 11:29 AM EST

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DEDHAM, Mass. -

For the last 15 years, Phillip Amaru and Laureen Vaughn have been helping nursing home patients stave off financial destitution.

The former Milton High School classmates founded Commonwealth Advisory Group, which specializes in elder asset protection, in 1992. Since then the Dedham firm has helped more than 1,500 people safeguard their savings. The company makes its money from flat fees charged based on the amount of work required for each client.

With the first baby boomers reaching eligibility to file for Social Security retirement benefits this year, both Amaru, a 46-year-old Westwood resident, and Vaughn, a 45-year-old Milton resident, said they expect demand for their services to grow significantly in the years to come.

**What are the unique financial concerns facing someone on the verge of entering a nursing home?**

Vaughn: People work their whole life, and they've scrimped and they've saved and they've provided for the kids and then an emergency happens and it's not something that they've planned for. So, for example, if there's a husband and wife, and one of them goes

into the nursing home, then all of a sudden the spouse at home is going, 'Oh my God, what do I do?' So we're able to protect the money and make sure that the spouse at home is provided for and that she can keep her house and she can live. And her spouse that's in the nursing home is provided for, too, and they get the care that they need.

**How do the financial concerns of those you work with differ from those of a normal retiree?**

Vaughn: If somebody goes into the nursing home, they're going to be spending about \$10,000 per month. And that's probably at the lower end right now. So (the) \$100,000 that people scrimp and save is gone very quickly. By 10 months, \$100,000 is gone.

Amaru: So you see, you have a husband and wife: The husband takes a stroke and goes to a nursing home, his wife gets that first bill for \$10,000 or \$11,000 for the first month and goes, 'Oh my God, I'm going to be completely destitute, I'm going to have nothing.' Not only do you have this medical crisis going on, and all of that, but now she's thinking, 'I'm not going to have any money to live. What do I do?' And there's a huge panic there. And that's where we step in, and we save everything for her and make sure she's taken care of.

Vaughn: So as far as retirement goes, retirement is making sure that you get the income on a monthly basis. This is actually protecting what you have saved up.

**How do you go about protecting their assets?**

Amaru: Essentially, what we're able to do is put the husband (who is in the nursing home) on Medicaid, and the regulations - what a lot of people think is you have to spend all of your money before you get on the Medicaid program. But with a husband and wife, the regulations allow us to save their house, they're able to keep \$100,000 in cash, roughly. And then we're able to preserve all their other assets, too, and the law allows us to do that, and that's what we do. So if one of the spouses goes into the nursing home, we'll save all the money, all the assets for that at-home spouse. So that, if it's the wife that's at home, that she's financially independent, and OK for the rest of her life.

**So does Medicaid pay for the nursing home stay?**

Amaru: Yes.

Vaughn: But the person that's in the nursing home, their retirement income, like their Social Security and pension, would go to the nursing home.

Amaru: So it's not a complete freebie. They do contribute. So if the husband was getting \$2,200 in income through Social Security plus a pension, that would go (to the nursing home), so long as there wasn't a need from the wife, and the wife can sometimes get some of that to maintain her, too.

## **How will the impending retirement of the baby boomers impact your industry?**

Vaughn: They've actually done a lot of studies and they've found that people over the age of 65 have a 60 percent chance of needing nursing home care at some time in the future. Even if it's for a short period of time, that's what statistics say. So there's certainly a reason to make sure you're protected and your family members are protected.

## **What are you doing to prepare for the increase in business?**

Amaru: Essentially what we're doing to prepare is we're now looking to open up different offices. One down in the Cape, one on the North Shore. And possibly, depending on how that goes, depending on the demand, we might even go nationally.

## **Safeguarding your assets**

- No need to liquidate: Many assume to become eligible for Medicaid, you have to "spend down" your assets until you qualify. This is not necessarily the case. There are ways to avoid a liquidation.
- Don't give them away: Some looking to protect their assets simply give them to their children. Those who do lose control over those assets, and if those gifted assets are lost or spent and the giver goes into a nursing home, there can be consequences under federal regulations.
- Trusts may not help: Some try to protect their assets by putting everything in a revocable trust. Such funds are still available for liquidation to fund nursing home care.

Source: Commonwealth Advisory Group, [www.commadvisory.com](http://www.commadvisory.com).

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The Patriot Ledger