

# SMART AGING *Update*

NEWS AND IMPORTANT INFORMATION FOR SENIORS AND THEIR FAMILIES



## The Myth of the “Simple Will” in a Complex World

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Many people come into our office saying they “just need a simple will.” It’s a phrase we hear all the time—and we understand the intention. You want something straightforward, and easy to understand. Something that ensures your belongings go to the right people when you pass. But in today’s world, “simple” doesn’t always mean sufficient.

In fact, in many cases, relying on a basic Will alone can lead to more confusion, cost, and conflict than you ever intended. Did you know you can even get others (your beneficiaries and loved ones) kicked off of benefits if you don’t leave their inheritance to them in the correct manner?

#### What a Will Does and Doesn’t Do

At its core, a Will is a legal document that lays out your wishes for what happens to your assets after you die. It names an executor (also sometimes referred to as a personal representative), identifies your beneficiaries, and

specifies who gets what. That part is clear.

But here’s what a Will doesn’t do:

- It doesn’t avoid probate.
- It doesn’t help during your lifetime if you become incapacitated.
- It doesn’t protect your home or life savings from the cost of long-term care.
- It doesn’t prevent family disputes over care, inheritance, or decision-making.

So, while a Will might be part of your estate plan, it’s not the whole story. And it’s certainly not the best standalone strategy for many families today.

#### The Realities of Probate and Incapacity

Let’s start with probate. This is the court process that verifies your Will and oversees the



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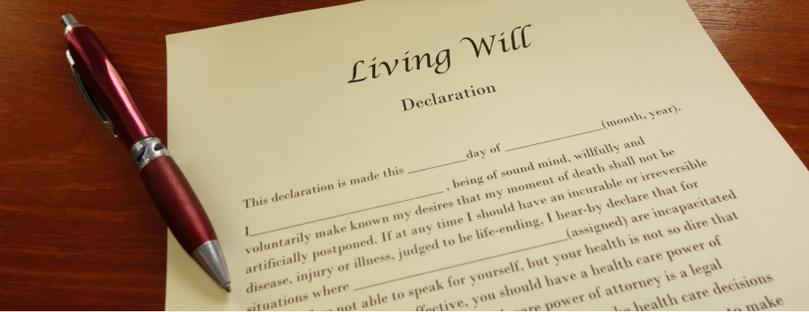
# The Myth of the “Simple Will” in a Complex World

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distribution of your assets. Probate can be time-consuming, expensive, and public. Even with a valid Will, your family may be tied up in court for months or even years before they can access what you left behind.

Then there's incapacity. A Will only takes effect when you pass away. It has no power while you're alive. If you become ill or injured and can't make decisions for yourself, or take care of young children, a Will won't authorize someone to pay your bills, manage your property, appoint a legal guardian, or make medical decisions on your behalf. That requires powers of attorney, advance directives, and possibly more.

And for those who may need long-term care in the future (which, statistically, is most of us past a certain age) a Will offers zero protection against the high cost of nursing home care. Without the right planning in place, you could lose your life savings to pay for care before your heirs ever see a dime.



## Why Trusts Are No Longer Just for the Wealthy

In a more complex legal and healthcare environment, many families are turning to trusts as a better alternative. A properly drafted and funded trust can:

- Avoid probate entirely
- Allow someone you trust to manage your assets if you're incapacitated
- Provide protection from nursing home costs with proper Medicaid planning
- Keep family matters private and out of court
- Set clear terms for how and when your beneficiaries receive assets

And it's not just something for the ultra-wealthy. A trust is often the simplest way to keep things smooth for your loved ones, especially when life gets complicated.

There's nothing wrong with wanting simplicity. But in estate planning, real simplicity isn't found in a bare-bones document. It's found in clarity. In giving your family a clear path forward when things are hard. In protecting what you've built and easing the burden for the people you love.



# The “Big Beautiful Bill”: What It Could Mean for Your Long-Term Care Planning



There's a new federal law on the books—known unofficially as the “Big Beautiful Bill”—that could significantly reshape the future of Medicaid, particularly for individuals and families who may someday rely on it to cover long-term care expenses. Several provisions in the bill deserve attention, especially if you or a loved one may need skilled nursing care in the future.

Below is a breakdown of some of the most important changes, how they may affect your access to care, and what it means for those planning ahead.

## Home Equity Cap Frozen at \$1 Million

Currently, Medicaid excludes a portion of a person's home equity when determining eligibility for long-term care benefits. In 2025, states are required to set this home equity limit somewhere between \$730,000 and \$1,097,000, with the actual amount varying by state and adjusting annually for inflation.

The new bill would set a single nationwide cap of \$1,000,000, effective January 1, 2028, and freeze it permanently. That means it will no longer increase with inflation. While a million-dollar home may seem generous now, real estate values continue to rise. A home that's exempt today could push someone over the limit just a few years from now. This provision could particularly impact homeowners in urban or coastal areas.

If your home is a large portion of your wealth this change makes early planning critical. Without proper steps in place, more of your home's value may be counted against you in a future Medicaid application.

## Reduced Retroactive Coverage

Currently, Medicaid can cover qualifying medical expenses going back up to 90 days before a person applies. This retroactive coverage is a critical safety net when someone enters a nursing home unexpectedly. The new bill would shorten that window to just 30 days.

Timely Medicaid applications will become even more important. Delays—even by a few weeks—could leave families responsible for thousands of dollars in uncovered care.

## Potential Strain on Nursing Homes

The bill includes major reductions in federal Medicaid funding, and providers are warning that these cuts could lead to serious challenges. Some nursing homes, especially in rural or underfunded areas, could be forced to reduce services, delay maintenance, or even close altogether.

A now-overturned staffing regulation aimed to improve care by requiring around-the-clock RN coverage and minimum staffing levels. Though that rule has been blocked for now, the funding pressure remains. At the same time, the bill places a moratorium on provider taxes, which states have historically used to boost Medicaid funding.

While these behind-the-scenes funding changes may not be obvious right away, they can affect care quality, bed availability, and wait times. It will become even more important to identify reliable long-term care providers early in the planning process.

Now that the “Big Beautiful Bill” is finalized, the direction is clear: Medicaid eligibility and benefits will be harder to secure in the future, and the quality of available care may become more uneven.

That's why proactive planning—before a health crisis hits—is more important than ever.

- Review your home equity and consider options to protect it if you plan to rely on Medicaid someday.
- Make sure your legal documents (like powers of attorney and trusts) are up to date and aligned with current rules.
- Talk with your attorney about your long-term care plan—whether for yourself or a loved one—and explore options that provide flexibility under tightening rules.

We are committed to helping you stay informed and prepared, no matter how the rules evolve.

## A PERSONAL NOTE FROM KIMBERLY

Dear Clients and Friends,

Thank you for reading our newsletter! We hope you find the insights helpful in enriching your knowledge in the area of estate planning.

Life changes, and your plan should keep up with it too. If it's been a while since your last review, now is a great time to ensure it still aligns with your wishes.

Schedule an appointment today to update your planning and secure peace of mind.

