

# A STEP AHEAD

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## GOV'S MEDICAID REFORM GETS REPRIEVE FROM LEGISLATURE

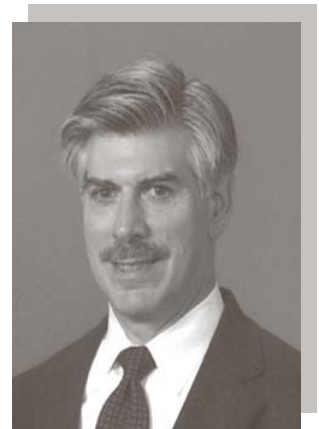
New York State's budget, which was due on April 1, was finally passed by the Legislature on August 11. The state budget has been a "hot button" issue for seniors because, Governor Pataki, in his January budget request, proposed significant cut-backs in Medicaid eligibility.

In particular, in order to reduce Medicaid expenditures, he requested that: (1) the 36-month "look-back period," the period during which applicants for Medicaid must disclose all financial transactions,

be extended to 60 months; (2) home-care applications be governed by a penalty period for transfers similar to that imposed for institutional care; (3) the spousal refusal strategy be eliminated; and (4) that the penalty-period begin to run from the date of application instead of the date of transfer.

While the impact of the staggering cost of long-term care on the state's budget remains a pressing issue, the Governor's proposal was rejected by the Senate and the Assembly.

*Continued on page 3*



## MYTHS ABOUT LONG-TERM CARE

Long-term care is assistance provided to people with chronic illness or disability, whose physical or mental conditions limit their ability to independently carry

out everyday tasks.

Long-term care, unlike standard medical care, helps an individual maintain a level of functional independence. While most people do

not want to think of themselves as needing this kind of care, nearly 50% of all Americans will require long-term health care at some point during their lives -

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## BENEFITS OF THE RELATIONSHIP

One of the benefits of being a client of Berwitz & DiTata LLP is the complementary review afforded to our estate planning clients every three years. However, the relationship that we seek to cultivate with our clients can sometimes mean more. We encourage our clients to contact us when unforeseen emergencies arise. In the past year, a number of our clients suffered catastrophic illnesses, such as heart attacks, strokes and cancer. In some cases, our clients did not survive. In virtually every instance, when the family has apprized us of the situation, we have provided important guidance, support, and even alternative solutions to the issues they faced. We hope and believe that our advice was meaningful and beneficial.

In instances where one of a couple faces a life-threatening illness, changes can be made to the manner in which the assets of the ill spouse will later be distributed. For example, instead of leaving assets directly to the surviving spouse, the ill spouse can leave them to a supplemental needs trust for the benefit of the survivor. This will allow the assets to be freely used for the survivor's benefit while he or she is healthy and does not qualify for governmental benefits. If the survivor later becomes ill, the assets in this trust will not be considered in determining eligibility for governmental benefits. They do not create any ineligibility period! This strategy is extremely beneficial to the surviving spouse. Most often, we have found that, given the opportu-

nity, an ill spouse will participate in finalizing their estate plan, knowing that to do so will better protect their loved ones.

When decisions are required regarding end-of-life decision making, we have offered our clients a sounding board for the difficult choices they face. While we will not substitute our judgment for that of the agent designated in the health care proxy, we try to be available to discuss the alternatives and to help weigh the options.

A sudden illness in a family is always heart-wrenching. While we hope that our family of clients are spared these problems, we wish to offer them support and understanding and a good measure of sound advice.

## PROTECT AGAINST CREDIT FRAUD

*Continued from page 4*

Be careful when using an ATM machine. Banks videotape traffic and are diligently seeking ways to prevent fraud. The corner grocery store machine may not afford the same safeguards. Do not leave your ATM receipts behind as these also pro-

vide account information.

When conducting business online, your personal information is provided and temporarily stored on the computer. Be careful about conducting financial transactions on a computer that is utilized by others whom you don't know.

On your own computer, be sure to install a firewall to stop hackers, or intruders, from accessing your information. Periodically clear the information to delete personal information that you have left accessible. Most importantly, never volunteer your internet password.

## MYTHS ABOUT LONG-TERM CARE

*Continued from page 1*

not only after a serious illness or accident, but often as a result of the natural aging process.

The financial and emotional stress that full-time care giving may place on families is overwhelming. Many families struggle to provide care for parents or siblings only to eventually realize that the care required is more than can adequately be provided. Sometimes the best way for a family to care for a loved one needing long-term care is to secure access to professional care.

The cost of long-term care services is rising. In the New York metropolitan area, nursing home costs already average well over \$100,000 annually. Assisted living and home care services are generally less expensive, but, like everything else, the price for long-term care will increase over time. Our clients often

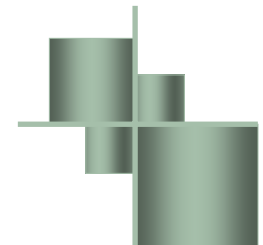
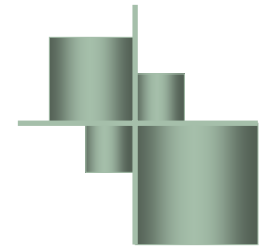
ask how they can pay for this type of care without jeopardizing their financial well-being or exhausting their savings.

Health insurance policies cover acute rather than chronic care services. They do not cover long term care. Long-term care is not a medical service. While Medicare provides health care for seniors, it is severely limited in the coverage it provides for long-term care. Medicaid will pay for most long-term care services. However, to qualify, you must meet strict asset and eligibility requirements.

Long-term care insurance offers a variety of options beyond nursing home coverage. Given the choice, most people would prefer to stay at home rather than entering a facility. With the advances in home care services, many people needing long-term care are able to stay at home, with or near their families.

Most long-term care insurance policies offer a wide range of care services, including home care, adult day care, assisted living facility care and hospice care. Planning ahead for long-term care can be confusing. We advise our clients to always consult with a professional insurance agent who is knowledgeable about this topic and to select a company which is financially secure. If you are considering the purchase of a policy, read it carefully. Be sure to obtain an outline of the coverages and description of the policy features.

Long-term care insurance can be an important investment in your future that will provide financial and emotional benefits - be sure to make an informed choice. If you have questions about this topic please do not hesitate to call our office and inquire.



## MEDICAID REFORM GETS REPRIEVE

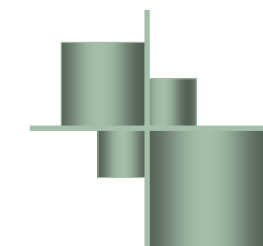
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Instead, the Legislature has implemented budgetary provisions which promote the purchase of private, long-term care insurance. The budget encourages improvements in the New York Partnership insurance policy, a long-term care insurance policy offered

by private insurance companies that complies with state mandated minimum benefits and provides incentives tied to Medicaid eligibility, as well as tax incentives, education, consumer protection and new investment strategies.

*Note - We authored a more comprehensive dis-*

*cussion regarding the Governor's budget in our column entitled "Senior Brief" which appeared in the June edition of THE ATTORNEY OF NASSAU COUNTY. Please call the office if you would like us to send you a reprint of that article.*



## BERWITZ & DiTATA LLP

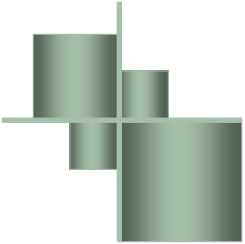
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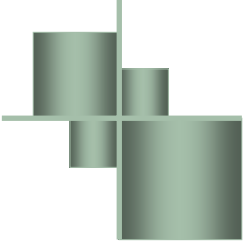
## We Practice Preventative Law !

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### CREDIT CARD & IDENTITY FRAUD ~ PROTECT YOURSELF ~



Few things cause more aggravation and upheaval than identity theft. To protect yourself and your family against this threat it is important to follow certain basic steps:



Guard your credit card transactions. Be sure you know the identity of those to whom you orally provide a credit card number. If placing an order by telephone, do not provide a personal identification number.

Collect your receipts when you purchase or charge anything, do not leave them behind. These often contain your name and number. Tear up or shred solicitations from current credit card companies and financial institutions as these may contain personal information and identification. We advise our clients to remember to cancel credit cards as soon as possible after a family member has passed

away as these are often fodder for credit and identity card theft.

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#### **B&D..IN THE NEWS**

Berwitz & DiTata LLP now publish a monthly column entitled "*A Senior Brief*" in two well respected Bar journals: The Attorney of Nassau County and the Queens County Bar Bulletin.