

**The Montgomery County**  
**Elder Law Handbook**

Published By  
The Montgomery Bar Association  
For  
Residents of Montgomery County  
Pennsylvania

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2005-2006  
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# **The Montgomery County Elder Law Handbook**

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## **Disclaimer**

The materials presented in this handbook have been prepared for informational purposes only and are not offered for and do not constitute legal advice or legal opinion on any specific fact or issue. Access to these materials or any information therein is not intended to create an attorney-client relationship with any person associated with the Montgomery Bar Association and/or any contributor to this publication.

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**The Montgomery Bar Association**

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**The Montgomery Bar Foundation**

**And**

**Montgomery County Aging and Adult Services**

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## **Montgomery Bar Association**

100 West Airy Street, P.O. Box 268  
Norristown, Pennsylvania 19404-0268  
Telephone: 610-279-9660 Fax: 610-279-4321  
Internet: *www.montgomerybar.org*

Nancy R. Paul  
Executive Director

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### **Montgomery Bar Association Member Contributors**

Christopher K. Barber, Esq.	Lois A. Nafziger, Esq.
Sherry E. Baskin, Esq.	Nicholas Orlyk, Esq.
Michelle C. Berk, Esq.	Patricia A. Ranieri, Esq.
Harold N. Fliegelman, Esq.	Harris J. Resnick, Esq.
Robert C. Gerhard, III, Esq.	Kathleen Bilotta Vetrano, Esq.
Charlotte A. Hunsberger, Esq.	Barbara B. Zulick, Esq.
Gerald J. Mullaney, Sr., Esq.	

### **Elder Law Handbook Committee**

Michelle C. Berk, Esq., Editor  
Robert C. Gerhard, III, Esq., Editor  
Virginia A. Frantz  
Doris L. Freeman  
Joanne O. Kline  
J. Scott Maxwell, Esq.  
Dorothy McCabe  
Patricia A. Ranieri, Esq.  
Past Chair: Lois A. Nafziger, Esq.

## **Forward**

This handbook is designed to provide information about legal issues faced by Montgomery County's older residents and their caregivers. Its authors and publishers intend to help seniors make appropriate choices so they can maximize personal autonomy, minimize costs, navigate through the maze of government benefits, and protect themselves against predators who want to deceive, exploit or defraud.

Obviously, no publication can cover all the legal issues relating to a group as diverse as this county's senior citizens. However, this handbook offers basic information, points out various services and ways to access them, and outlines areas which may require specific legal advice or expertise, given each individual's needs.

The guide began as a suggestion at a meeting of the Montgomery Bar Association's Community Outreach Committee, moved to completion through the efforts of volunteers who are members of the Elder Law Committee, and is published as a service by the local bar association for the county community. Through a generous grant from the Pennsylvania Bar Trust Fund, these handbooks will also be sent to the Pennsylvania Bar Association library and to all other bar associations in the Commonwealth as a model, with permission for adaptations in other counties.

The authors and publishers know that all reference books begin to be out-of-date on their day of publication. For that reason, the Montgomery Bar Association plans to revise this guide periodically, another commitment to its long-standing tradition of public service.

## Acknowledgments

As we complete this handbook, I want to honor several individuals and groups who have been invaluable in the process of developing this new publication.

First, I salute **J. Edmund Mullin, Esq.**, who as chairman of the **Montgomery Bar Association's Community Outreach Committee** accepted the challenges involved in a simple suggestion about the need for more and better legal information for senior citizens. He organized our small group for action and with the assistance of **J. Scott Maxwell, Esq.**, current MBF President, set the groundwork for support by the **Montgomery Bar Association** and the **Montgomery Bar Foundation**.

We searched for suitable models and found the *Pennsylvania Elder Law Handbook* by **Michael S. Ramage, Esq.** He gave us permission to use his work as an outline and encouraged us to update and expand his excellent 1993 publication.

Managing editor **Michelle C. Berk, Esq.** enlisted contributors, served as content-coordinator, fact-checker and link to the volunteer writers. Editor **Doris L. Freeman** went to various agencies for up-to-date references, then reorganized the articles to provide user-friendly text in a consistent format. **Patricia A. Ranieri, Esq.** brought practical perspectives about elders' limitations and ideas on marketing a guidebook to our county community.

Next are three people who always represent their constituencies: **Virginia A. Frantz**, Executive Director of the Senior Adult Activities Center of Montgomery County; **Joanne O. Kline**, Executive Director, Aging and Adult Services of the County of Montgomery; and **Dorothy McCabe**, former Executive Director of ElderNet of Lower Merion and Narberth. Based on their special expertise, each offered constructive comments which have enriched our enterprise.

At the center of these activities the highly skilled staff of the Montgomery Bar Association made this handbook possible and allows us to continue to update this publication.

Finally, the **Pennsylvania Bar Trust Fund** generously awarded the **Montgomery Bar Association** a grant to produce and distribute the handbook, provided that it is available as a model for others in the state.

I am delighted that we are able to publish this guide for the senior citizens of Montgomery County. It reflects countless hours of volunteer work by attorneys and interested members of our community. To all of you: thank you for a job well done.

**Lois A. Nafziger, Esq.**  
Past Chair  
Elder Law Committee

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## Elder Law

Elder law is the term used by the legal profession to focus on the special legal rights and problems of senior citizens. Attorneys who work in this field need to master an ever-changing body of law, legislation and regulations which deal with financial planning, health care and housing as well as discrimination, abuse and consumer fraud. Such a challenge usually requires training and experience in this special area of the law.

### Attorney-Client Relations

A big question in elder law is: Who is the client? Attorneys fairly often find that a child brings in a parent to their office. That child and parent may have differing interests. Also, some older people have physical or mental disabilities which may limit their capacity to make proper decisions. Fortunately, attorneys have ethical rules, known as Rules of Professional Conduct, which help to clarify these situations.

According to Rule 1.5, all fee agreements must be in writing. This avoids disputes about what the lawyer is to do and how much these professional services will cost. If a fee dispute arises, contact the Montgomery Bar Association at 610-279-9660. If the attorney is a member of the Montgomery Bar Association, a Fee Dispute Form will be sent to you. Fill out the form and return it to the Fee Dispute Committee of the Montgomery Bar Association who will then review your complaint. If the attorney in question is not a member of the Montgomery Bar Association, contact the Office of Disciplinary Counsel, District II, 820 Adams Avenue, Suite 170, Trooper, PA 19403; telephone 610-650-8210.

Rules 1.6 through 1.12 state what to do to prevent conflicts of interest. In general, one lawyer cannot represent both sides when clients have differing agendas. Therefore, if two people come into a lawyer's office together, the lawyer must make a clear determination about who will be represented. This helps to protect vulnerable seniors when others try to exert undue influence, to coerce or use threats to push them to execute powers of attorney or convey property against their will. Also stated: Pennsylvania lawyers are required to keep client information confidential.

Rule 1.14 explains that lawyers assume that their clients are competent and can understand what is happening. If the lawyer "reasonably believes" that the client cannot act in their own self-interest, the lawyer can seek a guardian or take other protective action.

### Continuing Legal Education

Since 1992, Pennsylvania's attorneys have been required to take at least twelve hours each year of continuing legal education. This should have a positive impact on the ethical delivery of legal services, but it is still important for older clients to remember their rights as they work with their lawyers.

## Pennsylvania Lawyers Fund For Client Security

Although the percentage of lawyers involved in fraud and theft is extremely low, the news of attorney misconduct is often given wide play in the media. The fact is that lawyers are often put in positions of trust and temptation, yet it very rarely results in a financial loss to a client. In such cases, the Pennsylvania Lawyers Fund for Client Security can help to recoup some or all of the losses. Claims are submitted on pre-printed forms from the Supreme Court of Pennsylvania, Pennsylvania Lawyers Fund for Client Security, 4909 Louise Drive, Suite 101, Mechanicsburg, PA 17055; telephone 1-800-962-4618.

## Choosing an Elder Law Attorney

Every individual has notions about how to work with a professional advisor to resolve personal problems. To choose the best person to act on your behalf in elder law matters, you should first think about your goals. Is it a simple question of updating your will? Or is it the more complex process of planning the series of financial steps for retirement and changes in life situations? Once your needs are outlined, you can consult friends, relatives, business colleagues, clergy and others for recommendations about attorneys. Another source of information is the Montgomery Bar Association Lawyer Referral Service; telephone 610-279-9660, Option 3; fax 610-279-4846.

## **Older Americans Act**

More Americans are living longer and demanding more from local, state and federal lawmakers so more programs for elders are offered, enlarged or refined. One of the most important laws which provides a basic framework for these services is the Older Americans Act of 1965. This law sets up Area Agencies for the Aging (AAAs) all over the United States. In Pennsylvania, AAAs are administered by the Pennsylvania Department of Aging, 555 Walnut Street, 5th Floor, Forum Place Building, Harrisburg, PA 17101-1919; telephone 717-783-1549.

## Montgomery County Office of Aging and Adult Services

Our local AAA is called the Montgomery County Office of Aging and Adult Services. This agency is responsible for planning, coordinating and monitoring services for county residents, age 60 and older. These services and programs are available regardless of race, religion, physical handicap, sex, color, residence, national origin or political beliefs. Consumers may be asked to share toward the cost of some of the services provided, or in some cases, to make a donation.

The MCAAS has several offices in order to be accessible to all county residents. Staff members at any one of them will help you make a start in the search for information regarding programs relating to elder needs and the rules regarding many elder services.

The office hours and days of service of these offices: Monday through Friday, 8:30 a.m. to 4:15 p.m.

The MSAAS website is [www.montcopa.org/mcaas](http://www.montcopa.org/mcaas).

## MCAAS Mission

The mission of the Montgomery County Office of Aging and Adult Services is to link consumers and their families with appropriate resources and services. With the increase in available funding through the Tobacco Settlement legislation for home and community-based care, Montgomery County will now receive additional state funding to assist a greater number of seniors with home care and to provide a variety of options based on income eligibility and individual service needs. There are many new program changes. Contact the local office of Aging and Adult Services or the website to learn more about available services and programs. Following is a list of what they offer:

### Aging services:

- Care Management provides casework support to plan and monitor consumer services to meet their individual needs.
- Family Caregiver Support Program assists caregivers through a reimbursement program for supplies and services.
- Home Care Services provides assistance with personal care, home delivered meals, adult day care and home support.
- Long Term Care Assessment provides a determination of appropriate level of care.
- Ombudsman Services provides investigation of complaints and conflicts within long term care facilities.
- PDA Waiver Program provides intensive in-home services to consumers meeting financial and medical guidelines.
- Protective Services provides intervention in cases of abuse, neglect, exploitation and abandonment for those at risk over age 60.

### Adult services:

- Case Management provides casework support to low-income individuals and families who meet certain criteria of need.
- Emergency Shelter Services are available to assist homeless individuals and families in need.
- Rental Assistance provides resources to eligible individuals and families who are homeless or near-homeless and meet program guidelines.
- Supportive In-Home Services assist disabled low-income adults with services such as personal care, home-delivered meals and home support.
- Transitional Housing provides assistance to individuals and families in meeting long term goals through Bridge Housing and other self-sufficiency programs.

## Community-Based Long-Term Care Services

Montgomery County Aging and Adult Services provides an alternative to people who need nursing facility care by assisting them in receiving community-based long-term care services. Specifically, the Bridging Program and PDA Waiver Program provide community services to qualifying seniors who would otherwise require nursing facility care, but can be safely cared for at home.

Community-based services can include adult day care, personal care, home delivered meals, respite care, home health care and home support. A medically eligible senior may qualify for the Bridging Program if that senior is age 60 or older, has net income of \$1,737 or less per month, and has assets between \$2,000 - \$40,000.

The Bridging Program is a cost-sharing program in which seniors share 50% of the costs of the care plan services that are provided. When resources of the senior fall below \$2,000, they have been "bridged" to a program that no longer requires cost-sharing, specifically the PDA Waiver Program. When assets are reduced to \$2,000 or below, they may be able to transfer to the PDA Waiver Program. Under the PDA Waiver Program, the senior will continue to receive all of the services which they were eligible for under the Bridging Program, but at no cost. The application process is initiated by contacting your local branch office of Montgomery County Aging and Adult Services. The central office number for Montgomery County Aging and Adult Services is 610-278-3601.

### Montgomery County Aging and Adult Services Office Locations

Central Office  
Human Services Center  
1430 DeKalb Street  
P.O. Box 311  
Norristown, PA 19404-0311  
610-278-3601

North Penn Office  
421 West Main Street  
Lansdale, PA 19446  
215-361-7931

Lower Merion Office  
9 S. Bryn Mawr Ave.  
Bryn Mawr, PA 19010  
610-527-7962

Pottstown Office  
260 High Street  
Pottstown, PA 19464  
610-327-9203

Eastern Office  
102 York Road, Ste. 303  
Willow Grove, PA 19090-3283  
215-784-5413

Upper Perkiomen Office  
452 Penn Street  
Pennsburg, PA 18073  
215-679-4112

## Resources

The Pennsylvania Department of Aging publishes an annual guidebook "Benefits and Rights For Older Pennsylvanians" which is available from the MCAAS locations listed above, from any member of the Pennsylvania Legislature or by calling the Pennsylvania Department of Aging at 717-783-1549.

For listings of Montgomery County nursing homes, adult day care centers, assisted living facilities or for PACE and tax rebate forms, contact one of the MCAAS offices listed on page 13 or visit their website: [www.montcopa.org/mcaas](http://www.montcopa.org/mcaas).

## Financial Planning

As people grow older they become increasingly aware that "...in this world, nothing is certain but death and taxes." Elder law underscores other sayings: "Plan ahead!" and "An ounce of prevention..." Senior citizens need to plan now, while they are able, to make sure that their estates are passed to intended beneficiaries. Planning can reduce death taxes, administrative expenses and the possibilities of disputes among family members and others. Even more important: the peace of mind which comes from knowing that financial affairs are in order.

### Income Tax Planning

An excellent starting point for information affecting senior citizens is IRS Publication 554, "Tax Information for Older Americans." This brochure is available free of charge by calling the IRS Forms Distribution Center at 1-800-829-3676. You may also want to check the IRS website: [www.irs.ustreas.gov](http://www.irs.ustreas.gov).

#### IRS Office Locations

Noble Plaza  
801 Old York Road  
Jenkintown, PA 19046  
215-887-6134

601 South Henderson Road  
King of Prussia, PA 19406  
610-992-5129

8:30 a.m. to 4:30 p.m. (35,000 or less)

### Tax Preparation

Many times senior citizens, especially those with fixed incomes, find it difficult to hire a tax professional. For elderly people with limited means, volunteers are available in many areas to prepare tax returns. Your local public library is usually able to help you locate the nearest volunteer income tax assistance program. See Appendix A on page 74 for the list of public libraries in Montgomery County. The Internal Revenue Service also provides walk-in tax preparation service free of charge. For the IRS service center nearest you, call 1-800-829-1040.

### Standard Deduction at Age 65

You should be aware that you are allowed an additional standard deduction when you reach age 65. A basic chart is offered below but you will want to go over all instructions very carefully, especially as you choose between using the standard deduction and itemizing deductions. When elderly taxpayers itemize deductions, they lose any benefit from the additional standard deduction listed below:

<u>Filing Status</u>	<u>Standard Deduction</u> <u>2004</u>	<u>Additional</u> <u>Standard Deduction</u>
Single	\$ 4,850	\$ 1,150
Married filing jointly	9,700	950
Married filing separately	4,850	950
Head of household	7,150	1,150
Surviving spouse	9,700	950

\* - *Revised Jan. 2005.*

The general rule is that a person must have attained age 65 before the end of the tax year. However if your birthday is on January first, you are permitted to increase the standard deduction for the tax year prior to reaching age 65.

### Income Tax Credit Age 65 or Older

Taxpayers age 65 or older may receive a "tax credit" that is subtracted from your income tax if you have limited income. The allowable credit varies according to the taxpayer's filing status. A single individual's credit can be as much as \$5,000, whereas a married couple's maximum credit is \$7,500. The calculations for determining your tax credit can be complicated and may require the assistance of a tax professional.

### Medical Expense Deductions

Medical expenses are deductible only to the extent they exceed 7.5% of a taxpayer's adjusted gross income. The medical expense deduction is limited to unreimbursed, i.e. out-of-pocket, expenditures.

The entire cost of a long-term care facility, including meals and lodging, is a deductible medical expense if the principal reason for admission to the facility is the availability of medical care. However in an assisted-care facility only a portion of the cost may be deductible.

Equipment and home modifications to accommodate the handicapped (no age limit) that do not increase the market value of the home are deductible as a medical expense. Examples of such deductible improvements include building wheelchair ramps and widening entrances to the home.

When a person dies owing medical expenses, and those expenses are paid by the estate within one year, a medical expense deduction can be taken on the decedent's final income tax return (Form 1040) or on the federal estate tax return (Form 706). If the estate is under the federal taxable limit, \$1,500,000 in 2004-2005, or if there will be no estate tax due because of the unlimited marital deduction, it makes sense to deduct these expenses on the personal income tax return.

*\* - Revised Jan. 2005.*

### Sale of Residence; Exclusion of Gain from Income

Recent changes in tax laws have greatly simplified the tax aspects of selling a home. Generally speaking, capital gains are the increase in value of a home from the date of purchase, less the cost of major improvements made over the years such as a new roof or new windows. An unmarried taxpayer may exclude up to \$250,000 of capital gains realized on the sale of a principal residence; married taxpayers can exclude up to \$500,000 of capital gains. To qualify for the capital gains exclusion, one must have used the real estate as their principal residence for at least two of the five years prior to sale. The majority of senior citizens will not have to pay a capital gains tax on the increase in the value of their home when they sell it.

## Tax Basis: Special Rules for Surviving Spouse

You or your tax preparer will need to know the “tax basis” rules whenever calculating capital gains tax on the sale of appreciated property, such as stocks or mutual funds. The maximum capital gains rate for long-term investments is now 20%.

In simplified terms, capital gains tax on appreciated stocks and mutual funds is paid on the difference between the purchase price and sales price of the security. Special rules apply however, where one owner of jointly-held property dies. For a surviving spouse, these rules, known as the tax basis rules, can result in significant tax savings when they sell jointly-owned stock or other appreciated property after the death of a spouse.

The following illustrations show the potentially significant tax savings involved:

### Illustration 1:

If during their lifetimes, a husband and wife sold jointly-owned stock worth \$10,000 which they bought for \$1,000, they would pay capital gains tax on \$9,000, the sale price minus the purchase price. The tax due would be about \$1,800 at the 20% rate.

### Illustration 2:

If the husband in Illustration 1 dies and the same jointly-held stock is worth \$10,000 on the date of death, the tax basis is increased from \$1,000 to \$5,500, one half of the date-of-death value plus half the purchase price. If the surviving spouse later sells the stock for \$10,000, taxable gain is only \$4,500 and the tax due is cut in half to \$900.

Obviously these savings can be significant. Many married people own at least part, and perhaps all, of their property jointly. Since the tax basis rules are important and complicated, elder couples need to discuss these issues and their possible effects with a qualified tax professional to avoid paying more tax than necessary.

## Reverse Mortgages (Home Equity Conversion)

A reverse mortgage is a special type of home loan that lets a homeowner convert the equity in their home to cash. The lender loans money to the borrower age 62 or older using the borrower’s home as security. The loans may be dispersed in a lump sum, monthly payments, or through a line of credit. Unlike traditional mortgages, reverse mortgages are repaid upon death, or when the owner can no longer live in the home. There are no monthly payments until one of these events happens. These mortgages can be a good way to overcome the “house rich but cash poor” dilemma that confronts many elderly homeowners.

There is a federal law that authorizes home equity conversion mortgages for seniors. The purpose of the law is to meet the special needs of elderly homeowners by reducing the effect of the economic hardship caused by the increasing costs of meeting health, housing and subsistence needs at a time of reduced or fixed income, and to encourage lender participation. Your first step should be to consult with your elder law attorney and have all pertinent documents reviewed prior to signing anything.

## Basic Requirements

- Borrowers must be age 62 or older; there is no maximum age limit. If there is more than one borrower, they must both be 62 or older.
- The mortgaged property must be used as the principal residence of the borrower and can be one to four units.
- The property must be in good repair; proceeds from the reverse mortgage may be used to make needed repairs.
- The property to be mortgaged must be free and clear of a mortgage or almost mortgage-free. The borrower will be required to pay the balance of the existing mortgage from the proceeds of the reverse mortgage. Credit history is not a factor in either of these federal programs but may be in a purely private reverse mortgage loan or if Pennsylvania institutes its own program again. Liens against the property would be an issue and most likely would have to be paid off with the proceeds of the loan.

## Types of Reverse Mortgages

At present, there is no program offered by the State of Pennsylvania. In the past, the Pennsylvania Housing Finance Agency (PHFA) offered a program for seniors who owned a home in Pennsylvania.

Two basic types of reverse mortgages or home equity conversion mortgages:

For the federally-insured "Home Equity Conversion Mortgage" (HECM), your home must be a single-family property, a two-to-four unit building, or a federally-approved condominium or planned-unit development (PUD). For Fannie Mae's "HomeKeeper" mortgage, it must be a single-family home, PUD or condominium.

Reverse mortgage programs generally do not lend on cooperative apartments or mobile homes, although some "manufactured" homes may qualify if they are built on a permanent foundation, classed and taxed as real estate and meet other requirements.

The amount of cash you can get from your home depends on which program you select and within each program-on your age, home and interest rates. For all but the most expensive homes, the federally-insured HECM program generally provides the most cash. Those funds may be distributed as a lump sum, as a line of credit or in a monthly amount. For the monthly option, it may be for a specific number of years, or as long as you live in your home. All of the reverse mortgages have costs and almost all of them can be put into the borrowed amount so that the only up-front cost to the senior is the appraisal.

Both of these Federal programs require that the homeowner(s) undergo counseling with a HUD-approved non-profit organization before they can obtain a reverse mortgage. For a list of HUD-approved counselors near you, contact the Division of Planning and Research, Department of Aging, 555 Walnut Street, 5th Floor, Harrisburg, PA 17101-1919, telephone: 717-783-6207, or go to the HUD website: [www.hud.gov](http://www.hud.gov).

## Impact of Reverse Mortgages

A reverse mortgage has no impact on an individual's receipt of Social Security or Medicare benefits, but it may have an impact on an individual's ability to receive Supplemental Security Income (SSI) and Medicaid benefits. Reverse mortgage payments to an individual are not income since they are loans. But if an individual receives reverse mortgage proceeds and holds them beyond the month they are received, they are considered "liquid assets" and may adversely effect eligibility for SSI and Medicaid benefits.

Another important feature of these loans is that you can never owe more than the value of the home. In banking terminology they are known as "non-recourse" loans.

You may find more information on reverse mortgages from the American Association of Retired Persons Home Equity Information Center, 601 E Street, NW, Washington, D.C. 20049; telephone: 1-800-424-3410 or [www.aarp.org/revmort](http://www.aarp.org/revmort).

Another excellent source of information is the National Center for Home Equity Conversion. This organization is a purely private, non-commercial wealth of information on this topic. They can be reached at their website: [www.reverse.org](http://www.reverse.org).

Occasionally, you may find a private lender, such as a bank, that offers reverse mortgages and may have more flexibility in setting maximum loan amounts or placing higher age limits on borrowers, etc. However, the overall cost and interest rates may be higher.

## Property Tax and Rent Rebates

In Pennsylvania, home owners or renters age 65 or older, widow/ers age 50 or older, or individuals permanently disabled during all or part of the claim year and 18 years or older during the claim year and unable to work because of a medically-determined or mental disability, with a total household income of \$15,000 or less, may file a claim with the Pennsylvania Department of Revenue for a real property tax or rent rebate and inflation dividend. Claims applications are due for filing between January 1 and June of the year following the year in which the individual paid the tax or rent. Beginning in claim year 1999, claimants may exclude 50% of their Social Security/Railroad Retirement income in determining their eligibility requirements.

In addition, owners must have paid taxes prior to filing and renters must make certain their landlords were required to pay property taxes or made payments in lieu of property taxes on the rental property. Claimants who qualify can be reimbursed up to \$500 a year for the amount they paid in property taxes or rent; rebate checks are mailed beginning July 1st of each year. Proof of income is required, such as copies of the state or federal income tax returns for the claim year in which you are filing. If you are claiming a rental rebate, you must include proof of the rent you paid, such as an affidavit signed by the landlord or the landlord's agent. If the landlord's signature cannot be obtained, the claimant must complete and submit a notarized rental occupancy permit.

## Amount of Rebates

The amount of reimbursement is calculated as a percentage of the claimant's income. A home owner can be reimbursed from 10% to 100% of the total taxes paid, up to a \$500 maximum. A renter might be reimbursed 2% to 20% of the total rent paid, again up to a \$500 maximum. However, there are no guarantees of these payments. If you require further information on this program, you may call the PA Department of Revenue at 1-888-728-2937. This toll-free number provides a menu of telephone numbers whereby information specific to your area of inquiry are given. The Taxpayer Service Information Center For Tax Questions is 717-787-8201. Businesses or home owners may call 717-787-1064, Option 5 with their rent or rebate questions.

If you qualify for the property tax and rent rebate program, you may also be eligible for PACE or PACENET, which are prescription drug programs funded by the Pennsylvania lottery. See page 42 for more information. For further information regarding property tax and rent rebates you can contact the Pennsylvania Department of Revenue at 1-888-222-9190 to talk with a representative or 1-800-772-5246 or at their website: [www.revenue.state.pa.us](http://www.revenue.state.pa.us). You can get help in filling out PACE and tax rebate forms through any of the seven area MCAAS offices listed on page 13 or at any local senior center.

## **Estate Planning**

Many people think the term "estate planning" applies only to very wealthy people. Nothing is further from the truth. An "estate" is simply what you own. If you own property, you need to plan ahead in order to make sure the desired people or institutions inherit your property after your death.

If you die without planning your estate, your home, money and other property will be distributed to various relatives, sometimes distant relatives, according to a rigid formula fixed by law known as "intestacy law." This law applies to every person who dies without a will and does not consider special needs of any individual or family.

Without a will, your property may be inherited by people you do not want to share in your estate. Without a will, individuals in control of your estate may not be the people you prefer and they may not even cooperate with each other. If you have no will, the Commonwealth of Pennsylvania essentially makes a will for you, according to the terms of the intestate law, which controls the distribution of the shares of your estate.

The existence of a well-considered estate plan, most importantly a will, can help avoid disputes among your heirs and will give you the peace of mind that comes with knowing that your final wishes will be carried out.

## The Will

A will is an important legal document and the cornerstone of most estate plans. In a will, you direct how your property is to be distributed and you also name a personal representative to administer your estate.

The personal representative named in a will is commonly referred to as the "executor." An executor collects the estate assets, pays the estate debts and makes distributions to the beneficiaries you have designated in your will.

It is generally advisable to nominate one executor and an alternate in your will rather than naming two individuals to serve as your co-executors. Co-executors frequently have difficulty getting paperwork signed in a timely manner and can delay estate administration.

If you already have a will, take it out and re-read it. Do you understand what it says? Do you agree now with the arrangements you made earlier? Update your will if circumstances have changed. Marriage, death, divorce, birth, asset growth, moving to a different state or a change in estate tax laws are events that may trigger the need for you to revise your will. A good rule-of-thumb is to review your will at least once every five years.

Keep your original will in a secure place such as a fire-proof box, a safe deposit box at your bank or with your attorney. If your lawyer is holding your will, ask whether it is being held in a fire-proof vault or other protected location.

If you are afraid that somebody might tamper with or destroy your will if they were to read it, leave it with your lawyer or place it in a safe deposit box where its contents will be kept private. In Pennsylvania, a safe deposit box is accessible upon death of the owner for the limited purposes of retrieving the decedent's will and cemetery deed. Under Pennsylvania law, the safe deposit box is not frozen, i.e. sealed, if the co-owner of the box is the surviving spouse.

You have the right to request your original estate planning documents from your attorney at any time. The documents belong to you, not your lawyer. You also have the right to revoke your will and write a new one at any time you choose, providing you have the mental capacity to do so.

## Trusts

Your attorney might recommend a "trust" in larger estates, estates with young beneficiaries and in situations with special circumstances. What is a trust? Many estate planners explain that a trust is like a box where you can place your property. A person places money in the box, the trust, and designates a manager, known as the "trustee," to safeguard the contents of the box. The trustee then distributes trust assets to the beneficiaries you select, in such amounts and at such times as you direct. Of course the money is not really put in a box. The "box" is usually a brokerage account or a bank account where the funds are invested by your trustee.

For example, a grandparent may wish to set aside money for a disabled grandchild, but may be afraid to do so for fear of disqualifying that grandchild from certain government benefits. A grandparent could place the money in a carefully drafted trust, designate a trustee to invest and safeguard the funds and enable the disabled child to benefit from the trust while maintaining eligibility for government benefits such as Medicaid or Supplemental Security Income (SSI) payments.

There are many other types of trusts. Credit shelter trusts, also called "by-pass trusts," are commonly used to help protect large estates from federal estate taxes. Trusts can also be used to set aside money for designated purposes, such as for education. Discretionary trusts and "income only" trusts can be written to protect spendthrift beneficiaries from squandering their inheritance through wasteful spending habits.

Trusts usually cost more money to create because they are more complicated and may be customized for each particular situation. In addition to the costs of drafting a trust, there are continuing attorneys' fees and trustees' commissions over the years as a trust is administered. Many trusts require the filing of fiduciary income tax returns; accordingly, an accountant's services are often needed to help prepare and file these tax returns. Obviously you need to consider the ongoing administrative costs as you decide whether it makes sense to create a trust.

### Revocable Living Trusts

Before preparing a living trust, you must determine whether it will be useful for your situation. Living trusts are especially helpful, for example, when you own out-of-state real estate and wish to avoid probate outside Pennsylvania.

Some people are confused by the complexity of revocable trusts and may experience or feel a loss of control over the assets in the trust. Moreover, many feel the benefits of a costly trust can be obtained through less expensive alternatives, such as through the use of a general durable power of attorney. See page 25 for more information.

Living trusts are clearly not for everybody. Consumers should approach sales pitches for "revocable living trusts" with a high degree of caution. In recent years a number of older consumers have been defrauded by salespeople who push the supposed benefits of living trusts in "free" seminars and mail solicitations. Also living trusts are generally expensive; there are costs involved in the re-titling of your assets into the trust and they generally do not save Pennsylvania inheritance taxes.

If you wish to get a low-cost second opinion from an estate-planning attorney before proceeding with a living trust, call the Montgomery Bar Association Lawyer Referral Service at 610-279-9660. Tell the service representative that you would like to meet with an estate-planning attorney before going forward with the preparation of a living trust to make sure that it is right for you. A half-hour consultation costs only \$40; this meeting might save your money and your peace of mind by making you aware of options not mentioned by the trust and annuity salesperson.

## Non-Probate Property

Just as you need to review your will periodically, you should check the beneficiary designations on your life insurance and retirement accounts to make sure they are up-to-date. Many people select beneficiaries when purchasing a life insurance policy or opening their accounts but never recheck these decisions. It is particularly important to do so as families change over the years.

You also need to be aware that jointly-held property, accounts held in trust for (ITF) and annuities do not pass according to the provisions of your will. Rather, these items pass by law to designated beneficiaries or to the survivor listed on the account. Be sure these beneficiary designations are carefully reviewed when developing your estate plan.

## Inheritance, Estate and Gift Taxes

Over the years, senior citizens have watched tax regulations at all levels grow more and more complicated. Guideline information is offered below with the advice to consult with a professional if you have questions.

### Pennsylvania Inheritance Tax

This death tax must be paid by the estate within nine months of death to avoid a penalty. To the extent that the inheritance tax is paid within three months after the date of death, a discount of 5% is given.

The inheritance tax rates in effect based on the recent changes to the Pennsylvania Inheritance Tax Act are effective for dates of death on or after July 1, 2000 and are as follows:

- The tax rate for transfers to a grandfather, grandmother, father, mother, child, lineal descendant or their spouse is 4 1/2%.
- The tax rate for transfers to a spouse is zero %.
- The tax rate for transfers from a child age 21 or younger to a natural parent, an adoptive parent or a stepparent is also at the zero % tax rate.
- The tax rate for transfers from a decedent to a sibling has been lowered to 12 %. The Inheritance Tax Act defines a sibling as "an individual who has at least one parent in common with the decedent, whether by birth or adoption." This includes a sibling by birth, a stepsibling by birth as well as a sibling by adoption.
- The tax rate for transfers to all other collateral beneficiaries (nephews, nieces, aunts, uncles, cousins, other relatives, friends, etc.) continues to be 15 %.
- Gifts to charitable government entities continue to be tax-exempt.

## Pennsylvania Estate Tax

The Pennsylvania estate tax is applicable only when the size of the estate requires filing of a federal estate tax return. The IRS allows a state death tax credit against the federal estate tax, based on the value of the estate. If this tax credit is greater than the inheritance tax paid to Pennsylvania, the Department of Revenue imposes a Pennsylvania estate tax on the difference. This is sometimes called a "make-up" or "pick-up" tax.

## Federal Estate and Gift Taxes

The new estate tax law has changed many aspects of our death tax system. The federal government still imposes a tax "on the transfer of the taxable estate of every decedent who is a citizen or resident of the United States." However, in 2003 there is an exemption amount which will permit most estates to pass to heirs free of federal estate taxes. The legislation provides for a reduction in estate taxes over ten years as shown below:

<u>Year</u>	<u>Exemption Amount</u>	<u>Highest Estate Tax Rate</u>
2005	\$1,500,000	47%
2006	\$2,000,000	46%
2007	\$2,000,000	45%
2008	\$2,000,000	45%
2009	\$3,500,000	45%
2010	Estate Tax Repealed	0%

\* - *Revised Jan. 2005.*

Federal taxation is not a concern for estates with assets under the amount covered by the exemption; however, you should check with your lawyer for other specific concerns.

Taxation of gifts does not follow the federal changes for estate taxes. In the year 2005, gifts of \$11,000 or less per person per donee per calendar year are not taxed. Thus a husband and wife, combined, may transfer up to \$22,000 to each donee (i.e. \$22,000 to each of their children and others) per year, without being subject to federal taxation.

## Planning For Gifts

As you plan to make gifts in your elder years, you need to know about federal estate and gift taxes, income taxes, real estate law, estate law, wills and divorce law. Your first step should be to consult an attorney.

Your attorney will ask you to gather copies of all federal income tax and gift tax returns, gift checks, recorded and unrecorded deeds, copies of gift letters and trust agreements. After a review of all the documents and a discussion of your goals, you will be ready to select the property to be gifted, with your attorney's assistance as you make your decisions.

You may want to consider a gift to charity. Many not-for-profit institutions have resources to aid you in making gifts, particularly in setting up a charitable gift annuity, which allows you to give cash or securities while providing you with a guaranteed, lifelong income. Under certain conditions you could enjoy a significant charitable tax deduction without incurring a capital gains tax if you give appreciated securities with a low cost basis. Again, you need to see your attorney to help you to review all your options.

The Internal Revenue Service defines a gift as “any voluntary transfer of property from a donor to a donee without what is called full and adequate consideration”. A gift will be computed when the donor gives up control over the transferred asset. Your gift to anyone during a calendar year will be a “taxable gift” if it exceeds the annual exemption amount. Your payment of educational or medical expenses for another individual is not generally subject to federal gift tax.

The value of a gift for federal gift tax purposes is the “fair market value” of the property transferred. Fair market value is generally defined as the “price which would probably be agreed upon by a seller willing to sell and a buyer willing to buy where both have knowledge of the facts.” Gift tax returns, which list the gifts made in that year which exceed the annual exemption amount, must be filed annually when you file your personal income tax return.

### Meeting With Your Lawyer

Perhaps the most difficult part of the estate planning process is overcoming procrastination and scheduling that initial consultation. For the best results, you need to deal with an attorney who provides estate planning services on a regular basis. When you call to schedule your appointment, be sure to ask whether there is a fee for the initial consultation. At your first conference, be sure to ask about the total cost to have your documents prepared. Some lawyers charge for documents on a flat fee basis, while others bill at an hourly rate. In either case, reputable lawyers always discuss fees up-front at the initial consultation and they will put the agreement in writing. Before you visit your lawyer, you can make the initial meeting more productive by bringing the following information:

- a list of what you own;
- a list of your intended beneficiaries with their names, ages and addresses;
- your choice of executor and at least one alternate;
- a list of all the questions you have about estate planning.

Your lawyer will thus be able to spend more time developing a plan with you and less time writing down basic information. If you suspect trouble in the family, mention this to your attorney so the issues can be addressed in a way that minimizes conflict. Remember that anything you discuss with your attorney is confidential client information.

After working with you to develop your plan, your lawyer will then prepare the necessary documents. It is very important that you understand all papers you sign. Then, once signed, make sure everything is kept in a secure, fire-proof location.

## **Power of Attorney**

A durable power of attorney is a written document authorizing a named person called "agent" to handle certain specified types of transactions for the person granting the power of attorney, called the "principal."

General powers of attorney are very broad and allow many types of transactions. Limited powers of attorney convey the authority to an agent to handle a specified task, for example, to attend and sign documents at a real estate settlement.

The power of attorney is "durable" in that it remains valid even after the principal no longer has legal capacity to convey property or handle similar transactions, perhaps due to an injury or an illness such as Alzheimer's disease. However, legal capacity must exist when the power of attorney is first executed. All powers of attorney executed since 1993 in Pennsylvania are durable unless otherwise stated.

A "springing" power of attorney can be executed so that it will only take effect if the principal's legal capacity has diminished or the principal becomes disabled. The agent's power to act then "springs" into effect upon the happening of an event such as disability. A major question of a springing power of attorney is: when does it take effect? Springing powers of attorney can include a formula that involves one or more physicians attesting to the fact that the principal has lost their capacity or is disabled in order for the power of attorney to take effect. Documentation that the triggering event has occurred is normally required.

Pennsylvania now requires a Notice in capital letters at the beginning of the power of attorney, signed by the principal, so they acknowledge understanding the powers and duties conveyed to an agent under the power of attorney and stating that the power of attorney has been read and understood. The law also requires an acknowledgment signed by the agent that they have read the power of attorney and understands it and that their to exercise the powers given to them for the benefit of the principal only. The agent agrees not to co-mingle any assets of the principal with their own assets and further agrees to exercise reasonable care and caution, keeping a full and accurate record of all of their actions.

The power of the agent to make gifts has been further defined in the new law. The agent may make limited gifts on behalf of the principal to the principal's spouse and children and to a spouse of the principal's child. This can include the agent if they are one of the above. During each calendar year, the gifts may not exceed the principal's annual exclusion from the federal gift tax permitted under the Internal Revenue Code. In 2003, that amount is \$11,000.

The new law also allows unlimited gifts to any persons the principal may choose, if specified by the principal in their power of attorney. For specific procedures you should contact your elder law attorney.

## Revoking A Power of Attorney

As long as the principal has legal capacity, they can sign an affidavit to revoke the power of attorney, name a new agent or designate a co-agent to check on the actions of the first agent. The power of attorney must be notarized and witnessed since some powers of attorney must be recorded at the courthouse, for example, when real estate is being transferred. Often if a power of attorney does not have a recent date on it, banks and other institutions will require the principal to sign a "certification" that the power of attorney has not been revoked and is still in full force.

## Special Powers of Attorney

Health care powers of attorney and financial powers of attorney are special forms of power of attorney that delegate to an agent the power to act on your behalf regarding medical and health issues in the event that you are unable to do so yourself. The power of attorney statute in Pennsylvania authorizes the principal's admission to a medical, nursing, residential or similar facility, entering into agreements for their care and authorizing medical and surgical procedures. A financial power of attorney is also a special form of power of attorney that delegates to your agent the power to act on your behalf relating to financial affairs only.

## Failure To Act

Any person who fails to act according to the directions of an agent appointed by the principal, without reasonable cause, can be subject to money damages if suit is filed.

## Fraud

A power of attorney can be an invaluable tool in aiding an elderly individual who needs assistance, but it can also be a means to facilitate fraud. Steps you can take to minimize that potential are:

- Choose the right person to act as your agent under a power of attorney. Make sure that the individual is someone you can trust who will make decisions on your behalf in accordance with your wishes.
- Be careful what powers you give to an agent under a power of attorney. Make sure you read every word and understand what powers are included in any power of attorney before you sign the document. Powers of attorney can be broad or narrow, allowing a full grant of authority to act for an individual or providing only a limited power of attorney for a particular event or situation, i.e. power of attorney for the sale of real state.
- Consider appointing more than one person to act as your agent. While this may be more cumbersome and less efficient, it provides a process of checks and balances in that your agents must agree on decisions and actions.
- To prevent premature use of the power by your agent, you can withhold the document until it is needed or require that the document be held by a non-agent with full instructions for release to the agent.
- Require your agent to account periodically to a disinterested third person.

## Health Care Provisions in a Power of Attorney

A power of attorney usually deals with financial and personal issues that can address medical treatment. The law allows an agent, appointed by you in your power of attorney, to authorize your admission to a medical, nursing, residential or similar facility, and to enter into agreements for your care if you so state. The agent may, with respect to your admission to a facility, execute consent or admission forms required by the facility and enter into agreements for your care by a facility or elsewhere. The law also allows you to authorize your agent to arrange for and give consent for medical, therapeutic, and surgical procedures, including the administration of medications.

If one person is to act as your agent for your financial affairs and another as agent for your health care, you need to create two separate documents. A living will is a document which allows you to specify your desires regarding medical decisions under certain medical situations described below. You and your lawyer must be careful that these documents complement and do not conflict with one another. Finally, a power of attorney can, if you wish, give your agent the authority to make an anatomical gift of all or part of your body.

A recent Pennsylvania Superior Court case has promoted the use and enforcement of patients' and agents' wishes expressed in their powers of attorneys for healthcare. The patient's or principal's wishes should generally be expected to be upheld. However, the law is in a constant state of flux. An elder law attorney should be consulted.

### HIPAA

Privacy requirements were recently enacted under HIPAA, or the Health Insurance Portability and Accountability Act. The purpose is to protect an individual's personal health information and they are the first federal law to do so. HIPAA also enables individuals to access, inspect, copy and correct their health care information and gives them rights to an accounting of certain disclosures of this information.

The regulations apply to health care providers, health plans, health care clearing houses and the business associations that deal with those entities. Protected health information may not be disclosed to business associates unless a signed patient authorization that meets specific requirements is obtained. An individual's personal representative and their Agent under a Power of Attorney may obtain medical records and health information if they are specifically authorized to do so in the individual's Power of Attorney.

*\* - Revised Jan. 2004.*

## **Advance Health Care Declarations (Living Wills)**

In 1992, Pennsylvania became one of the last states to pass "Living Will" legislation; in 1994, changes to the law allowed a declarant to make an anatomical gift of all or part of the body.

### Definitions:

- Declarant. A person who makes a declaration (living will) in accordance with the act.
- Attending Physician. The physician who has primary responsibility for the treatment and care of the declarant.

- Declaration or Directive (Living Will). A written document voluntarily executed by the declarant in accordance with the act. A written statement that directs or withholds life-sustaining treatment if the maker is incompetent and either in (a) a terminal condition, or (b) a state of permanent unconsciousness.
- Health Care Provider. An entity licensed or certified by the laws of Pennsylvania to administer health care in the ordinary course of business or practice of a profession.
- Incompetent. The lack of sufficient capacity for a person to make or communicate decisions concerning themselves.
- Life-Sustaining Treatment. Any medical procedure or intervention that serves only to prolong the process of dying or to maintain the patient in a state of permanent unconsciousness. This treatment includes nutrition and hydration administered by gastric tube or intravenously or any other artificial or invasive means if the declaration so provides.
- Permanently Unconscious. A medical condition diagnosed in accordance with currently accepted medical standards and with reasonable medical certainty as total and irreversible loss of consciousness and capacity for interaction with the environment. This term includes a persistent vegetative state or irreversible coma.
- Qualified Patient. A person who has executed a declaration and who has been determined to be in a terminal condition or to be permanently unconscious.
- Terminal Condition. An incurable and irreversible medical condition in an advanced state caused by injury, disease, or physical illness which will, in the opinion of the attending physician, to a reasonable degree of medical certainty, result in death regardless of the continued application of life-sustaining treatment.

Anyone of sound mind who is 18 years of age or older or who graduated from high school or has married may execute a living will at any time. The Pennsylvania law states that the document must be witnessed by two individuals each of whom are 18 years of age or older. Other states may require that the living will is acknowledged by a notary public. A sample declaration/living will is included in Appendix B on page 74 in the form set forth by the Pennsylvania Legislature with a notary clause added. The form may be tailored to meet your specific desires.

It is a good idea to discuss with your doctor the kinds of medical treatment you may wish to withhold and the effects on your body. One copy of your living will should be given to your primary care physician who will place it in your medical records. A surrogate may be designated to carry out your specific directions when you are unable to make them. You may also expressly exclude certain persons from acting as your surrogate, i.e. a spouse from whom you are separated.

Hospitals and nursing homes must by law provide patients with information concerning living wills. However, declarations are optional and no entity can charge a different fee depending on whether a living will has been signed.

Living wills become operable when the attending physician is provided with a copy and the declarant is determined by the attending physician to be incompetent and in a terminal condition or in a state of permanent unconsciousness by certifying, in writing, their diagnosis and arranging for the physical examination and confirmation of the diagnosis by a second physician.

## Absence of A Living Will

If a patient does not execute an advance directive, there is no presumption of the patient's intentions to consent or refuse life-sustaining treatment. Recently, the Pennsylvania Supreme Court held that a close relative, with the consent of two physicians and without court involvement, may remove life-sustaining treatment from an adult relative who is in a persistent vegetative state where that adult has left no advance directive. The law in this area changes frequently. An elder law attorney should be consulted.

## Out of Hospital Do Not Resuscitate (DNR) Orders

Out of Hospital Do Not Resuscitate orders are now recognized by new legislation enacted in 2003. These are known as DNR orders and can be in the form of a written order, bracelet, or necklace, the contents of which are described in the statute. They are primarily intended to direct Emergency Medical Service providers to comply with the patient's wishes when a patient is experiencing cardiac or respiratory arrest and has both an Advance Health Care Directive (Living Will) and an out of hospital DNR order issued under the DNR Act.

Under the DNR Act, the EMS provider can withhold CPR upon observing an out of hospital order, bracelet, or necklace displayed with the patient. The EMS provider is not required to contact a medical command physician to secure approval and can follow the patient's wishes.

## **Guardianships**

Sometimes people are unable to make decisions about their health or finances and can no longer manage for themselves. Dementia or other progressive mental, emotional or physical illnesses can rob people of the ability to keep themselves safe. In the worst cases, individuals can become victims of others who see opportunities to take cash and possessions while "helping" or doing favors. The impaired person may even be pressed to make important decisions about medical care or living arrangements.

To provide a decision-maker for people in these situations, Pennsylvania law allows the Orphans' Court to appoint a guardian of the person (for personal and health matters) and/or a guardian of the estate (for financial matters). Anyone interested in the person's welfare can file the petition seeking a guardian. There is no public guardian service in Montgomery County at this time.

To qualify for a guardian, a person must be found impaired in such a way that they are partially or totally unable to manage financial resources or meet essential requirements for physical health and safety. Because a ruling of "incapacity" and appointment of a guardian involves the curtailing of many important legal rights, stringent standards must be met. Notice must be given to the alleged incapacitated person and there is a right to request counsel.

## Hearing Before the Court

The incapacitated person is required to attend a hearing before the Montgomery County Orphans' Court unless excused, for example, by a doctor. An attorney for the incapacitated person is not required unless ordered by the court, as may be in cases of family conflict. When testimony by qualified persons such as a psychiatrist or other health care provider establishes clear and convincing evidence that the person is incapacitated, a guardian will be appointed. But just because an individual has periods of confusion does not mean that they will be found incapacitated under the law.

If incapacity is established, the court will appoint a guardian of the estate and/or person with full or limited powers. It is the duty of the guardian to assert the rights and best interests and to respect the expressed wishes and preferences of the incapacitated person to the greatest possible extent. The guardian must also encourage the incapacitated person to participate in all decisions which affect them to the maximum extent of their abilities. However, the guardian does not have to follow the wishes of that person if they are in conflict with their best interests. For example, many times an incapacitated person wants to continue to live in their home; if the guardian determines that assisted living or skilled nursing care is necessary, the guardian is fully authorized to admit the person to a facility, even over that person's objections.

The appointed guardian has all powers set forth in the court order, usually including making every kind of decision with the exception of admitting to inpatient psychiatric facilities or consenting to relinquishment of parental rights. Court approval is needed for consent to abortion, sterilization, psychosurgery, shock therapy, removal of a healthy organ, or to prohibit marriage, consent to divorce or to consent to experimental procedures.

Typical decisions made by guardians of the person include arranging medical care and consenting to surgery or other treatments, determining where an incapacitated person is to live and contracting for admission to nursing facilities. A guardian for the estate has the same duties as a personal representative, executor or administrator with specific requirements and limitations. Every guardian must file a detailed annual report with the Orphans' Court.

Preparing a comprehensive power of attorney may make guardianship proceedings unnecessary and is less expensive and stressful than the court process. Any person could, of course, name in advance a preferred guardian of estate or person for consideration by the court in case an incapacitation proceeding to determine incapacity.

A guardian's authority expires upon the death of the incapacitated person. Unless there is someone entitled to act under estate law (a family member, someone entitled to the estate under a will, etc.), there is no one who can make final arrangements, pay bills, distribute assets, sell a house or take other actions which may be necessary. Many times there is no such person willing or qualified to serve as administrator. This leaves a big gap in the ability to take necessary or desirable actions.

## Social Security

The Social Security Administration operates a variety of programs and benefits, including retirement and survivor benefits, Social Security disability insurance benefits, Medicare health insurance, and Supplemental Security Income benefits. In Montgomery County there are three Social Security offices:

1700 Markley Street  
Logan Square  
Norristown, PA 19401  
610-277-0440  
1-800-772-1213

115 West Avenue  
Suite 302  
Jenkintown, PA 19046  
215-885-6053  
1-800-772-1213

New York Plaza  
Suite 201-A  
238 High Street  
Pottstown, PA 19464  
1-800-772-1213

These local Social Security offices have several helpful and informative publications available free to anyone who requests them.

Anyone who has access to the Internet can check the Social Security Administration's official website which offers comprehensive information about all of its programs and benefits. The website is [www.ssa.gov](http://www.ssa.gov) and it offers more than 10,000 pages of information. You can do a variety of tasks at this website: request a copy of your earnings record and an estimate of the benefits you and your family will receive when eligible; find out how to file a claim for retirement or disability benefits; find out how to replace a lost Social Security card or change the name on your Social Security records; locate the nearest Social Security office and get a statement verifying the amount of Social Security benefits you receive. You can also download copies of booklets and fact sheets about Social Security disability, retirement and survivor benefits and SSI benefits.

### Applying for Benefits From the Social Security Office

Do not delay in applying for benefits for which you may be eligible. Any delay on your part could result in fewer benefits if you are ultimately found eligible for certain benefit programs operated by Social Security. When in doubt, contact Social Security to begin the application process as soon as you may be eligible. To get an estimate of your benefits you can submit a completed form SSA-7004-SM to the Social Security Administration. It takes about six weeks to receive the information.

### Deadlines

Keep in mind that Social Security will give you a deadline to finish certain tasks (i.e., file a written application after you call them, file a written appeal if you are dissatisfied with their decision, etc.). You must comply with their timelines or you will lose your right to potential benefits. Typically, their deadlines are within 60 days. However they may be shorter for special circumstances so you must check this carefully.

Toll-Free Social Security Number: 1-800-772-1213; Website: [www.ssa.gov](http://www.ssa.gov)

The Social Security Administration maintains a toll-free number which you can call to obtain information, set up an appointment, or transact other business. Be careful. There have been some reports that some Social Security staff members who answer this toll-free number do not always provide accurate or complete information. When in doubt, call your local Social Security office to make an appointment to meet with their staff in person so they can review your file with you. Take a friend or relative with you. People who are deaf or have difficulty hearing may call the Social Security office at their toll-free "TTY" number: 1-800-325-0778.

## Written Explanation for Denial of Benefits

If Social Security denies your claim for any benefits, you are entitled to a written explanation giving the reasons for denying certain benefits. If you do not receive a written explanation, ask Social Security to provide you with this documentation.

## Correcting Records with Social Security

If you are receiving benefits or applying for benefits from Social Security, it is important that you contact the Social Security Administration to inform them of any changes or corrections in your records. For example, if you move, change bank accounts, or disagree with the earnings records which they have posted to your Social Security account, you should take immediate steps to inform Social Security of any changes or additions.

It has been estimated that a small percentage of Social Security participants have incorrect Social Security retirement accounts. This means that Social Security may not know about all of your earnings in your lifetime, and therefore your retirement benefits may be lower than they should be. It is important to check your records every couple of years, at least until you are receiving benefits, to verify your earnings records on file with Social Security.

## Legal Assistance

If you have a problem with a Social Security claim and desire legal advice, a good contact is the National Organization of Social Security Claimants' Representatives: 1-800-431-2804. They maintain a national listing of attorneys who concentrate their law practice in Social Security matters. You may also wish to contact your local Legal Aid office in your community or the Montgomery Bar Association Lawyer Referral Service; telephone 610-279-9660; fax 610-279-4846.

## Social Security Benefits

Following is a brief description of some of the benefits available through the Social Security Administration. Remember that Social Security is a system of social entitlement; it is neither welfare-based nor based on means. The system provides benefits not only during retirement but also for survivors and dependents in case of death or disability. Keep in mind that this is not a description of all of the eligibility requirements for each of these programs and benefits. Some of the eligibility requirements are complicated and cannot be fully addressed in this handbook. When in doubt, contact the Social Security Administration and set up an in-person appointment to ask about your eligibility for benefits.

## Retirement Benefits

Anyone born before 1938 will be eligible for full Social Security retirement benefits at the age of 65. However, beginning in the year 2003, the age at which full benefits are payable will increase in gradual steps from 65 to 67.

No matter what your "full" retirement age is, you may start receiving benefits as early as age 62. However, if you start your retirement benefits early, they are reduced five-ninths of 1% for each month before your full retirement age. There are disadvantages and advantages to taking your retirement benefits before your full retirement age. The disadvantage is that your benefits are permanently reduced. The advantage is that you collect benefits for a longer period of time. Each person's situation is different, so you should contact Social Security before you make any decisions.

## Social Security Disability Insurance Benefits (SSDIB)

If you have worked long enough and earned enough Social Security “credits” to qualify for disability on your own work record, and if you are medically determined to be unable to do “substantial gainful” work for at least one year, you may qualify for Social Security disability insurance benefits on your own account. This is a complicated program and you should visit your local Social Security office in order to apply. This is not intended for a temporary condition; there is no such thing as a “partial” disability benefit program from Social Security.

## Supplemental Security Income Benefits (SSI)

The SSI program is based on means. To qualify, you must be “poor” (low income and few assets) and be either medically disabled, blind, or 65 or older. However, this is not a benefit program to “supplement” your income which you may already receive in the form of retirement benefits, SSDIB, or a pension. In other words, in addition to the other eligibility requirement, you must meet strict poverty income guidelines in order to receive this benefit. For example, for a single person in Pennsylvania, if you are medically disabled, but receive more than \$579.00 per month from another benefit such as SSDIB, retirement, or a pension, you will not be eligible for SSI benefits because Social Security will consider that you make too much money to qualify for SSI.

*\* - Revised Jan. 2005.*

## Survivor Benefits

When you die, certain members of your family may be eligible for benefits on your Social Security earnings record if you have earned enough credits while you were working. Family members who can collect benefits include:

- a widow or widower who is 60 or older;
- a widow or widower who is 50 or older and disabled;
- a widow or widower at any age if they are caring for a child under 16 or a disabled child who is receiving Social Security benefits;
- children if they are unmarried and
  - under age 18;
  - under age 19 but in an elementary or secondary school as a full time student;
  - age 18 or older and severely disabled (the disability must have started before age 22);
  - your parents, if they were dependent on you for at least half of their support.

Surviving spouses can directly contact Social Security by calling 800-772-1213 in order to apply for benefits.

## Benefits For a Divorced Spouse

One receives Social Security benefits in one of two ways: based on one's contributions to the Social Security system or as a spouse of such a contributor, which benefits are called derivative benefits. The recipient will receive benefits in the manner that provides the higher benefits.

After divorce, one can receive benefits based on the contributions of a former spouse if the marriage was of at least ten years duration. Derivative benefits for divorced spouses do not affect the benefits of the contributing spouse and family allowance does not apply. If a divorced spouse seeks benefits based on an eligible former spouse's earning record, and the former spouse is not collecting benefits, the divorced spouse can collect benefits only after two years have elapsed from the date of the divorce. In addition, the spouse from whom benefits are derived must be eligible for benefits; that is, at least 62 years of age and fully insured, even if they are not actually receiving benefits. The qualifications of the dependent spouse are: being at least 62 years of age and remaining unmarried.

If you are already a surviving divorced spouse planning to remarry close to age 60, wait until age 60 to avoid the remarriage penalty. In the event you are considering getting divorced, consider the impact on you of social security benefits. If you are a dependent spouse getting a divorce, at any age, and your marriage is close to ten years, defer the divorce until there are ten years from the date of the marriage to the date of the divorce decree. Before having alimony cease at age 62, consider the reduction of benefits and inability to qualify for Medicare. If a divorcing dependent spouse is planning to receive benefits based on the earnings record of the spouse who is not receiving benefits, make sure that benefits are not sought until two years after the date of divorce.

If the dependent spouse remarries, they will not be eligible for derivative benefits from a contributing spouse. However, if such remarriage terminates, the dependent spouse becomes eligible for derivative benefits once again from the former contributing spouse. If a dependent spouse has been married more than once and each time for at least ten years, derivative benefits can come from the former spouse's contributions providing the higher benefits.

The marriage may be a legal marriage, a common law marriage or a deemed marriage, which is a marriage deemed valid by the Administration if the relationship cannot be established under state law when in good faith, a person went through a marriage ceremony that would have resulted in a valid marriage except for a legal impediment.

## Benefits to Divorced Widow(er)s

If you are divorced, even if you have remarried, your ex-spouse will be eligible for benefits on your own earnings record if you are fully insured when you die. In order to qualify, your ex-spouse must:

- be at least 60 years of age, or 50 years of age if disabled, and have been married to you for at least ten years;
- be any age if caring for a child who is eligible for benefits on your earnings record;
- not be eligible for an equal or higher benefit on his/her own earnings record; and

- not be currently married, unless the remarriage occurred after age 60, or 50 for disabled widow(er)s.

The surviving divorced widow receives 100% of the benefits instead of the 50% received if the former spouse is alive.

### Income Tax on Social Security Benefits

The test is whether the individual's adjusted gross income combined with 50% of their Social Security benefits plus any tax-exempt interest exceeds a base amount. For individuals, that base amount is \$25,000; for married couples, the amount is \$32,000. The amount of benefits that will then be included in taxable income is the lesser of half of the benefits or half of the excess of the taxpayer's combined income (modified adjusted gross income plus half of the benefits) over the base amount.

For individuals whose combined income exceeds a higher adjusted base amount (\$34,000 for single individuals, \$44,000 for a married couple filing a joint return), the amount of benefits that will be included in taxable income is the lesser of 85% of the benefits, or 85% of the excess of the taxpayer's combined income over the adjusted base amount plus the lesser of half the benefits or \$4,500 for a single person, \$6,000 for married couples. Because these issues are so complex you may wish to consult a tax attorney for guidance.

Most pensions are not counted in the retirement test. However, when one spouse works and the other is drawing benefits, the base amount can be easily exceeded. Form SSA 1009 shows the benefits received and is sent each January to every Social Security recipient for inclusion in the federal income tax return.

### Considerations and Issues to Be Aware Of if You Already Receive Some Benefit(s) From the Social Security Administration

Social Security has rules which require you, as beneficiary of Social Security, to report changes to the Social Security Administration. There can be consequences to you if you fail or neglect to report changes to Social Security, and these consequences can include sanctions against you, such as overpayment requests, fraud charges or termination of your benefits. Here are a few of the many things to be aware of if you already receive Social Security benefits:

1. If you receive Social Security retirement or survivors benefits:

A. You must report any changes in your address, or if you change your name, via marriage or divorce;

B. If you are over the age of 65, you will continue to receive full Social Security benefits regardless of how much you earn in wages or salaries; this is due to a change in the law implemented in March 2000 and it was made retroactive to January 2000.

C. However, an earnings limit still applies to people between the ages of 62 and 65 who collect Social Security and earn wages or salaries over a specified exempt amount. In 2005, for every \$2 in earnings above the limit (\$11,640 per year), \$1 in benefits will be withheld.

*\* - Revised Jan. 2005.*

2. If you receive SSI disability benefits:

A. You must report any income changes (increases, decreases) to the Social Security Administration. You should also report any changes in the income of other family members living with you (i.e. spouse, child). Income is a very broad term and includes many things, including wages from a job, the value of food or shelter or clothing that someone else gives to you or the amount of money they give you to help pay your bills, unemployment, annuities, pensions, etc.

B. You must inform Social Security if you move and provide them with your new address.

C. You must inform Social Security if there is a change in the number of people who live with you, or if you get married or if your marriage ends. For example, if someone moves into or out of your home, or if someone who lives with you dies.

D. You must inform Social Security if you enter or leave an institution such as a nursing home, hospital, shelter or penal institution.

E. If you return to work, part-time or full-time, you must report this to Social Security. There are special SSI rules to help you try to work. In some cases, your SSI benefits may continue while you work and are still disabled; as your earnings increase, the amount of your SSI will decrease and may eventually stop if you earn too much each month.

3. If you receive SSDIB disability benefits, your benefits will generally continue for as long as your impairment has not medically improved and you cannot work. Social Security will review your case periodically to confirm you are still disabled. If you receive SSDIB benefits:

A. You must report any changes such as change of address or marriage or divorce, or changes (i.e., improvements) in your medical conditions. Failure to report such changes in your medical conditions could mean that you will get payments that are not due to you, and that will have to be repaid to Social Security.

B. If you go to work, part-time or full-time, you must report any earnings to Social Security because earnings may affect your Social Security benefits.

C. Even after you start receiving disability benefits, there are many work incentives that are designed to ease the transition back to work. To understand how work affects your disability benefits, you need to understand how Social Security measures your work.

Currently disability benefits can be paid only if you are unable to do any substantial work. The amount of your earnings is the key to determining whether your work is substantial. As of January 1, 2005, if your wages are more than \$830 per month, you are generally considered to be performing substantial work. In addition, Social Security permits a "trial work period" for nine months during which you can test your ability to work. You must report all earnings to Social Security during such a period. During the trial work period, Social Security disability beneficiaries may work and receive Social Security Disability benefits. After completion of nine trial work months, the substantial gainful activity level (\$590 per month) is used to determine whether earnings are substantial or not. If they fall below that level, full benefits will generally continue. If earnings are higher than this level, then cash benefits from Social Security are normally suspended while medical benefits continue.

\* - *Revised Jan. 2005.*

4. If you would like to return to work, Social Security's new Ticket to Work Program will help Pennsylvanians with disabilities go to work under this new program.

A. Tickets will be mailed to people who receive Social Security disability of Supplemental Security Income (SSI) disability benefits. Tickets can be used for vocational rehabilitation, job training and other employment support services. The program is entirely voluntary and beneficiaries are not required to go to work, but may attempt to do so.

B. Ticketholders may contact an Employment Network established by Social Security to assist beneficiaries in planning for employment and working.

C. Medicare Part A (Hospital) premium free coverage was extended for 4 1/2 years beyond the current limit for disability beneficiaries who work. Therefore, an individual does not have to choose between working and receiving health coverage, including Medicare Part B. SSA will not conduct a medical review of a person receiving disability benefits if that person is using a Ticket. However, income benefits can still be terminated if earnings are above the allowable limits.

D. Starting in 2002, individuals who have received disability benefits for at least 24 months will not be medically reviewed solely because of work activity. However, regularly scheduled medical reviews can still be performed and, again, benefits terminated if earnings are above the allowable limits. So, if you go back to work, you won't automatically lose your benefits if you earn under the allowable amount.

E. If your benefits have ended because you have substantial gainful work activity, you can request that your benefits resume without filing a new application if you are unable to continue to work because of your medical condition. You can receive up to 6 months of temporary benefits, that do not have to be repaid if you are found ineligible to receive disability benefits, as well as Medicare or Medicaid, pending SSA making a new medical determination. The medical condition must be the same as or related to your initial medical condition when benefits were granted. You must file your request to start your benefits again within 60 months of the date you were entitled to benefits.

### Resources

Social Security pamphlets include:

- "Basic Facts" SSA-05-10080
- "Understanding the Benefits" SSA-05-10024
- "Retirement Benefits" SSA-05-10035
- "Disability Benefits" SSA-05-10029
- "Supplementary Security Income" SSA-05-11008
- "Survivor Benefits" SSA-05-10084
- "What You Need To Know When You Get Retirement Or Survivors Benefits" SSA-05-10077
- "What You Need To Know When You Get SSI" SSA-05-11011

- "If You Are Blind How We Can Help" SSA-05-10052
- "A Guide For Representative Payees" SSA-05-10076
- "What You Should Know When A Representative Payee Manages Your Money" SAA-05-10097
- "Receive Your Benefits By Direct Deposit" SSA-05-10123

These are available by calling the Social Security toll-free number 1-800-772-1213 or through their website at [www.ssa.gov](http://www.ssa.gov).

## **Medicare**

Instituted in 1965, Medicare is a program administered by the federal government to assist older Americans, along with others who are disabled, with payment of medical costs. The Medicare program has two parts. Part A consists of coverage for most of the costs involved in a hospital stay; Part B is medical insurance which pays a portion of the cost for doctor and outpatient medical care. In Pennsylvania, Part B is administered by Xact Medicare Services in Camp Hill.

An individual is entitled to Medicare because their spouse paid for it through Social Security taxes. The program is provided to assist senior citizens whose medical bills are typically higher than the rest of the population.

### **Part A - Hospital Insurance**

Part A has two types of eligibility. Most people of age 65 or older are covered, for free, based on their work records or on their spouse's work records. People over 65 who are not eligible for free Part A coverage can enroll and pay a monthly fee for the same coverage. The premium in 2005 is \$375 per month for those ineligible individuals. The premium is \$206 per month for those individuals having 30-39 quarters of Medicare covered employment.

*\* - Revised Jan. 2005.*

### **Part B - Medical Insurance**

Anyone who is age 65 or older and a citizen of the United States or a resident of the United States who has been here lawfully for five consecutive years is eligible to enroll in Medicare Part B medical insurance. This is true whether or not they are eligible for Part A hospital insurance. Everyone enrolled must pay a monthly premium and in the year 2005 the premium is \$78.20 per month. The deductible is \$110 per year. Eligibility and enrollment are handled by the Social Security Administration and more information is available at the Montgomery County office of the Social Security Administration: 1700 Markley Street, Norristown, PA 19401; telephone 610-277-0440 or 1-800-772-1213.

*\* - Revised Jan. 2005.*

## Prescription Benefit

Under the new Medicare law, individuals with low incomes or very high drug bills, will have coverage of 75% of drug costs up to \$2,250 a year, after first meeting a \$250 deductible. Coverage would then be suspended until the individual had spent \$3,600 out of pocket, and at that point Medicare would pay 95 percent of the cost of each prescription.

*\* - Revised Jan. 2004.*

Over all, a beneficiary would pay \$3,600 of the first \$5,100 of drug costs and that does not include the premium, expected to average \$35 a month, or \$420 a year, in 2006, when the benefit would start. For a beneficiary with more average drug costs of \$2,000 per year, Medicare would cover about two-thirds of the costs.

Individuals should carefully compare this program to PACE and PACENET and other retirement or prescription drug plans that may also offer prescription drug benefits.

## Cost of Treatment

Most of the costs incurred directly from a hospital as inpatient care is covered by Part A of Medicare. In addition, some of the costs of inpatient treatment in a skilled nursing facility may also be covered. However, doctors' bills are not covered under Part A as they fall under Part B. To be eligible for Part A hospital insurance coverage, the care and treatment must be medically reasonable and necessary. This means that if the treatment could safely be given in an outpatient setting at the doctor's office or even at the patient's home, Part A will not provide coverage. It also rules out elective or cosmetic surgery. To be covered by Medicare Part A, a stay in a skilled nursing facility must be preceded by a stay in a hospital and the patient's doctor must verify that the individual requires daily skilled nursing care. During each benefit period, the individual must pay the hospital insurance deductible before Medicare will pay anything toward the incurred bill; in 2005, the deductible is \$912 per benefit period.

*\* - Revised Jan. 2005.*

Medicare will cover 100 days of inpatient care in a skilled nursing facility during any one benefit period and the first twenty of these days is covered 100%. For the balance of the days, the patient is responsible for the daily co-payment, which in 2005 is \$114.00 per day. Once a person has been in a skilled nursing facility for 100 days in a benefit period, there will be no further coverage from Medicare Part A and the patient will be totally responsible thereafter.

*\* - Revised Jan. 2005.*

Part B medical insurance requires that the services by the doctors, clinics and laboratories are medically necessary. Only a few preventive medical procedures are covered by Part B. One such covered service is a Pap smear for which Medicare will pay 80% once every three years. Also covered are mammograms every twelve months if performed in a certified facility.

Normally Medicare Part B pays on average about one-half of an individual's total medical bills. Since there are often balances remaining, Pennsylvania has enacted the "Mom" Law which forbids any doctor from billing patients for the balance of the bill above the approved Medicare amount. There is an annual deductible of \$110 per year. You can call the Pennsylvania State Department of Aging at 717-783-8975 if your doctor is attempting to bill you for any amount above the amount Medicare approves.

*\* - Revised Jan. 2005.*

## Appeals in Denials of Benefits

If you are denied Medicare benefits you have the right to an appeal which is somewhat complicated. Pennsylvania has a program called "APPRISE" wherein trained volunteer counselors provide free one-on-one assistance or telephone assistance with eligibility and benefits questions for all people over the age of 60, their families or their care givers. You can call them toll free at 1-800-783-7067. Also in Pennsylvania, a peer review organization called "KEPRO" protects the rights of Medicare beneficiaries receiving care. For example, if you are denied admission to a hospital, are asked to leave the hospital before you feel well enough or are dissatisfied with the quality of hospital care, KEPRO reviews these complaints free of charge to Medicare beneficiaries, including those enrolled in HMOs. You can reach them toll free at 1-800-322-1914 at their office in Harrisburg.

## Program Changes

Public debate over the future of Medicare goes on and change seems to be the only constant. However, one way to get answers to your questions is to keep for reference the Medicare handbook, which is periodically mailed to every person covered under the Pennsylvania program. Call 1-800-633-4227 to get help with your Medicare questions or to request the handbook on audio-tape, in large type or in braille.

## Medigap Insurance

Even after Medicare pays its portion of an individual's medical bills, the remaining balance can be staggering. Therefore it is recommended that people purchase some type of private insurance to pay all or part of that balance. Because such insurance policies are designed to fill the gaps in Medicare payments, the term "Medigap" has developed. There are a wide variety of plans available depending on the amount of coverage sought.

Under federal law, the insurance companies must offer "open enrollment" which means that insurance companies are forbidden to deny a Medigap policy to anyone who buys it within the first six months after enrolling in Medicare Part B. All Medigap policies have been simplified and offer a choice of one of ten plans, "A-J," and must meet certain standards such as guaranteed renewability. The costs for the different Medigap plans range from the very low for plan "A" to the very high for plan "J," approximately \$400 to \$2500.

As a general rule, no Medicare coverage is available outside the USA. One exception: a citizen of the USA would be covered in Canada if he/she were en route to Alaska.

Questions concerning Medicare Part B should be addressed to Xact Medicare Services, P.O. Box 890065, Camp Hill, PA 17089-0065; telephone 1-800-382-1274.

## **Medicaid**

Medicaid is another federal program that pays part of the cost of long term care in a skilled nursing facility (nursing home). In most cases, the individual receiving these benefits must contribute his/her monthly income, less a small allowance for personal needs. Some benefits are available for at-home care.

## Eligibility

Benefits are available only to individuals who meet these Medicaid eligibility standards:

Medical:

An applicant for Medicaid benefits must actually need long term care in a skilled nursing facility or, in limited cases, at home. Usually the nursing home requests a medical assessment automatically when an application for Medicaid benefits is made. To avoid delay, one should be certain this assessment is completed.

Financial and General:

- The applicant must be 65 or older or disabled;
- The applicant must be a citizen of the USA or equivalent;
- The applicant must be a resident of Pennsylvania;
- The applicant's monthly income (not including the spouse's income, if any, but including the applicant's Social Security, pension, salary, interest, dividends, etc.) must be less than about \$1,400 after medical expenses have been subtracted. In Pennsylvania, the cost of nursing home care is considered to be a medical expense.

Example: applicant's income is \$3,000 per month. Nursing home cost is \$5,000 per month. The applicant's income will not make the applicant ineligible because income (\$3,000) less medical (\$5,000) is less than the standard (about \$1,400).

- The applicant's available assets, i.e., what one owns, must amount to less than the applicable amount, which is \$2,400 for individuals with income exceeding \$1,737 and \$8,000 for applicants with income under \$1,737. For married couples, the available assets consist of all assets owned by the applicant, all assets owned by the spouse, and all assets owned jointly. Special rules for married couples allow them to keep some of their assets and possibly even some of the applicant's monthly income.

*\* - Revised Jan. 2005.*

Some assets are "excluded resources" and are not counted when determining initial eligibility. Some assets are not available and are not counted when determining initial eligibility. See the section on Medicaid Planning below.

## Disqualification

Certain gifts or transfers for less than fair market value will make the applicant temporarily ineligible for Medicaid benefits even if all of the stated criteria have been satisfied.

Medicaid will review all gifts made within three years (five years for gifts to trusts) before the "trigger date." The trigger date is the date on which the applicant resides in a nursing home and applies for Medicaid. Based on the size of the gift, when it was given away and the average cost of nursing home care determined by the state, there may or may not be a period of ineligibility for benefits after the trigger date.

Gifts made more than three years (five years for gifts to trusts) before the trigger date generally do not cause ineligibility. However, if nursing home care and Medicaid benefits are needed within three years (five years for trusts) after the date of the gift, the gift may well cause ineligibility for a very long time.

A gift to a spouse does not cause ineligibility. Neither does a gift to a trust for the benefit of a disabled child. In some circumstances, gift of a home will not cause ineligibility. Finally, if a person honestly tries to sell an asset but can't or makes a gift exclusively for a reason other than to become eligible for Medicaid, the gift will not cause a period of ineligibility.

### Estate Recovery

Upon the death of a person who has received Medicaid benefits, the government must attempt by law to recover the amounts paid to a nursing home for that person. At present, recovery is permitted only from the "probate estate" of that person, i.e., any assets titled in the individual's name alone at the time of death. In most cases, proper estate planning by a skilled elder law attorney, will avoid estate recovery.

### Medicaid Planning

Under certain circumstances, Pennsylvania law allows individuals or their spouses to keep their homes and much of their money without becoming ineligible for Medicaid benefits. For example, an individual could give away certain assets without causing ineligibility or could make certain assets unavailable so that they wouldn't count against the asset standard. However, relevant laws are extremely complicated, so Medicaid planning should not be attempted without the assistance of an elder law attorney.

### **PACE and PACENET (Pharmaceutical Assistance Contract for the Elderly)**

Pennsylvania has established a limited state pharmaceutical assistance program for the elderly (age 65 and over) and under the PACE program, citizens are eligible if their annual income is not higher than \$14,500 for a single person or \$17,700 for a married couple. You must have lived in Pennsylvania for at least 90 days prior to the date of your application and you must not be eligible for pharmaceutical benefits under medical assistance. PACE has no deductible to be met for eligibility.

*\* - Revised Jan. 2004.*

The PACE and PACENET programs are based on income only and not on assets. In order to qualify for Pennsylvania's new prescription program called PACENET, you first must meet a \$40 per month per person deductible before receiving benefits and thereafter you will pay \$8 for generic drugs and \$15 for brand-name drugs. PACENET income limits were expanded due to additional funding from Pennsylvania's share of the Tobacco Settlement under the Tobacco Settlement Act. In order to receive PACENET benefits, you must be a Pennsylvania resident for at least 90 days prior to application, must be age 65 or older and must have a household income lower than \$23,500 for an individual and lower than \$31,500 for a married couple. Income from all sources both taxable and non-taxable must be reported. PACE eligibility is subject to annual renewal and eligibility could be terminated if you move out of state or are found guilty of fraud or abuse by the Department of Aging or if you are covered by another plan which pays the full costs of your prescriptions.

*\* - Revised Jan. 2004.*

Applications are available from your local area agency for the aging, pharmacy, senior citizen center or your local legislator's office or on the Pennsylvania Department of Aging's website at [www.aging.state.pa.us/aging](http://www.aging.state.pa.us/aging). Your completed application must be accompanied by copies of proof of age and residency, and you may apply thirty days prior to your sixty-fifth birthday.

Pennsylvania's prescription program requires the use of generic drugs, unless there are no generic drugs available for the prescription you require or if there are certain medical restrictions which require the use of a brand-name drug. Participating pharmacies display a PACE emblem in their windows; out-of-state pharmacies cannot participate in this program.

If you have other questions about PACE or PACENET, or for an application form, you can call 717-657-3600 or in Montgomery County you can call 610-278-3601 or visit any of the offices listed on page 13. The application form can be used for both PACE and PACENET enrollment.

*\* - Revised Jan. 2005.*

## **Pennsylvania Low Income Home Energy Assistance Program (LIHEAP)**

The Pennsylvania Department of Public Welfare provides a low income home energy assistance program to help low income families pay a portion of their winter heating bills. LIHEAP is not a welfare program or loan and no lien is placed on the home. Consumers do not have to pay the money back. For information on eligibility guidelines call Montgomery County Aging and Adult Services at 610-278-3601.

### **Other Public Benefits**

The Pennsylvania Department of Public Welfare administers several other programs which may provide benefits such as food stamps and medical assistance. For information you should contact the Montgomery County Assistance Office at either of these locations:

1950 Calamia Drive

Norristown, PA 19401

610-270-3500

19 North Charlotte Street

Pottstown, PA 19464

610-327-4280

### **Restrictions For Non-Citizens**

After August 2001, some non-citizens (aliens) who were present when the Welfare Act was passed in 1996 that subjected them to a five year ban may become eligible for Medicaid, Medicare and Social Security benefits if they fit the definition as being qualified immigrants. Aliens who were receiving SSI prior to August 1996 retain their program eligibility. Also, individuals who were legally residing in the USA prior to August 1996 and who become disabled can obtain SSI.

A qualified non-citizen is as follows: a lawful, permanent resident, an alien granted asylum or granted withholding of deportation, a Cuban/Haitian entrant, or certain battered spouses and children. However, the Welfare Act gives states the option to deny benefits to qualified immigrants. As of this writing, only one state, Wyoming, had chosen to deny qualified aliens access to Medicaid. Emergency Medicaid, which is treatment for only medical conditions with acute symptoms and communicable diseases, is not subject to immigrant restrictions.

Due to the complexity of the laws governing benefits for senior non-citizens, an experienced immigration lawyer familiar with governmental benefits should be consulted.

## **Long Term Care Facilities**

Long term care facilities can be thought of as housing with integrated supportive services. The level of service varies with the type of facility. This section outlines important aspects of the most common types: nursing homes, assisted living facilities and continuing care retirement communities. For lists of these facilities contact the Montgomery County Office of Aging and Adult Services: telephone 610-278-3601; website [www.montcopa.org/mcaas](http://www.montcopa.org/mcaas). See office locations on page 13.

### **Nursing Homes**

A nursing home is a facility where residents receive round-the-clock nursing care designed to help an individual with the activities and needs of daily living and health care. These residents do not need the kind of acute health care provided in a hospital. A person usually enters a nursing home after all other long term care options, such as an assisted living facility or living at home with supportive services, are found to be inadequate.

Medicare does not provide substantial coverage for long term nursing home care. Medicare may pay for a portion of the cost for the first 100 days of a nursing home stay, under very limited circumstances. Those circumstances are:

- Skilled nursing or rehabilitation services are provided within 30 days of a Medicare-covered hospital stay of more than 3 days;
- A doctor certifies the resident's need for skilled care on a daily basis;
- Skilled care is actually received on a daily basis;
- The facility is Medicare-approved.

If these requirements are met, Medicare will fully cover the first 20 days of skilled care and a portion of the cost for the next 80 days of skilled care. Note that Medicare does not cover custodial care.

Medicaid is the only public benefit program that covers intermediate or skilled care provided in a nursing home after Medicare benefits are exhausted. In order to be eligible for Medicaid, an individual with income over \$1,737 must not have "countable" assets of more than \$2,400. Individuals with income under \$1,737 have a limit of \$8,000. "Countable" assets are all assets available to the individual, except for:

- the individual's residence if the applicant intends to return home;
- one motor vehicle;
- an irrevocable burial reserve and all burial plots;
- \$1,000 of cash value in life insurance.
- Other exemptions may apply, consult an attorney specializing in elder law.

\* - *Revised Jan. 2005.*

When a nursing home resident's assets have been reduced to below the applicable limit, Medicaid will cover the resident's stay in the nursing home. Keep in mind that, once eligible for this Medicaid nursing home assistance, the resident's income is generally considered available to pay for their nursing home care while Medicaid pays the difference. The resident may keep their income of \$30 per month (\$40 per month after March 1, 2005) for personal needs and an amount equal to the cost of Medicare and Medigap insurance premiums. In the case of a married couple, the spouse remaining at home is allowed to keep one-half of the assets, up to \$95,100 of the couple's countable assets and a minimum of \$19,020. There are very complicated Medicaid rules which take into account the amount of each spouse's individual income and the amount of the couple's countable assets, that the spouse remaining at home is allowed to keep. This may allow the spouse remaining at home to retain a minimum maintenance allowance of up to a maximum of \$2,378 and a basic minimum monthly maintenance allowance of \$1,562 until July 2005. Because of the extremely complex rules governing Medicaid eligibility, it is advisable to seek the counsel of an elder law attorney to guide you through this maze. Your particular situation may lend itself to legitimate and legal ways to "spend down" your countable assets to the applicable limit while preserving a substantial portion of such assets for your spouse staying at home or for other family members. Also, under certain circumstances, Medicaid rules allow for asset protection planning designed to let the spouse staying at home retain \$95,100 of the couple's countable assets. These amounts change each year to reflect the rate of inflation.

\* - *Revised Jan. 2005.*

### Residents' Rights

Upon admission to a nursing home, a resident or his/her family will be required to sign an admission contract. Entering into a nursing home can thrust a family into emotional turmoil. A prospective resident or the family member or members responsible for the resident might feel pressure under emergency circumstances to sign a nursing home admission contract without a careful review of its terms. Do not be pressured. Read the contract and have it reviewed by an elder law attorney before signing. Federal and state laws have been enacted to protect individuals entering nursing homes and an experienced advisor can make sure that you get the benefit of these protections. For example:

- A nursing home cannot require a resident to waive his/her right to apply for Medicaid. Furthermore, a nursing home cannot discriminate against a resident who is receiving Medicaid. Nursing homes must establish and maintain identical policies and practices regarding transfer, discharge and covered services for all residents regardless of source of payment.

- A nursing home cannot require a third party guaranty of payment as a condition of admission or continued stay. A nursing home is allowed to require that an individual having legal access to a resident's income and assets, such as an agent under a power of attorney, sign a contract, without the agent incurring any personal liability, promising to pay for a resident's care from the resident's funds.

- A nursing home cannot require a resident to agree to pay privately for a specified period of time before the nursing home will "allow" the resident to convert to Medicaid.

Once admitted to a nursing home, a resident enjoys certain rights mandated by both federal and Pennsylvania law. For example:

- A nursing home must conduct a comprehensive assessment of every resident's functional capacity within 14 days of admission. This assessment must be used to develop, review and periodically revise, as necessary, an individualized plan of care for each resident. The resident, the resident's family and, if desired, the resident's legal representative must be given full opportunity to participate in the development of the plan of care.

- A resident has the right to choose a personal attending physician and to be kept fully informed about care and treatment.

- A resident has the right to remain free of physical and chemical restraints which are not required to treat the resident's medical condition.

- A resident has the right to privacy with regard to communications in writing and by telephone and with regard to visits of family and meetings of resident groups. A resident must be provided with reasonable access to the use of a telephone where calls can be made without being overheard.

- A resident has the right to access to clinical records upon request by the resident or the resident's legal representative.

- A resident has the right to voice grievances with respect to treatment or care without fear of reprisal.

- A resident can only be transferred or discharged from a nursing home under limited circumstances which are spelled out in the law, upon 30 days advance written notice.

A nursing home must inform every resident of their legal rights, orally and in writing, at the time of admission. Pennsylvania maintains an ombudsman program to investigate and resolve complaints made by or on behalf of residents of nursing homes and other long term care facilities. The Pennsylvania Department of Aging has designated the Area Agency on Aging for each county to be the local providers of these ombudsman services. The Long Term Care Ombudsperson is currently Peggy Harper; her phone number at Aging and Adult Services is 610-278-3600.

## Assisted Living Facilities

Assisted living is housing for older individuals who need some assistance with the activities and needs of daily living and perhaps some medical help, but who do not need the degree of care provided in a nursing home. The goal of an assisted living facility is to help people live as independently as possible.

An important benefit of residency in an assisted living facility is help with medication. A resident can be reminded when to take medication and a nurse can assist the resident in taking medications.

Payment for residency in an assisted living facility is almost exclusively through private arrangements with the resident. Neither Medicare nor Medicaid covers residency in an assisted living facility. If a resident needs some sort of skilled medical or nursing care, Medicare may cover such care under the same rules that would apply to home health care in general. Long term care insurance will pay benefits for residency in an assisted living facility if the policy's "benefit triggers" requirements are met by a resident's need for assistance with activities of daily living or by a resident's cognitive impairment. Most long term care insurance policies define "activities of daily living" as including dressing, eating, bathing, toileting and transferring from a bed to a chair, and usually require that an individual needs assistance with a certain number of these activities of daily living.

## Contract Questions

Upon entrance to an assisted living facility, a prospective resident should carefully review the admission contract. Significant issues to consider in evaluating an admission contract include:

- What personal care services are to be provided? Who delivers these services? Is the service provider licensed or certified?
- What are the monthly or other charges for such services? Are housekeeping services included? How can fees be increased and what happens if fees are increased and a resident cannot afford the higher fee?
- In the case of a married couple, what happens upon the death of a spouse? Is a change of living unit required? How would fees be affected?
- What recreation or cultural activities are available and are they included with the monthly fee?
- Is transportation provided to such things as doctor appointments, shopping and community activities? Is a separate fee charged?
- Are nursing services available at the site? What happens if a resident's health declines? Is the facility responsible for coordinating medical care?
- How does the facility determine the point at which a resident cannot be served by the facility? What recourse does a resident have to challenge the facility's decision? Is there a grievance process?

## Residents' Rights

Under Pennsylvania law, residents of an assisted living facility have the following rights among others:

- the right to privacy, including the right to have access in reasonable privacy to a telephone and the right to have uncensored access to the mail;
- the right to receive visitors;
- the right to leave and return to the home;
- the right to participate in religious activities;
- the right to exercise the rights of a citizen and to voice grievances;
- the right to be provided with 30 days advance written notice of the facility's intent to terminate a resident's stay and the reason for termination;
- the right to be free of chemical and physical restraints.

As with nursing homes, the Montgomery County Aging and Adult Services Ombudsperson program applies to residents of assisted living facilities.

## Continuing Care Retirement Communities (CCRC)

Continuing care retirement communities provide different levels of care based on the particular needs of the individual resident. New residents usually move into independent living units. As they age and become physically disabled and need assistance with the activities and needs of daily living, residents move to an assisted living facility located on the grounds of the continuing care retirement community. Some continuing care retirement communities provide assisted living services in the independent living units so that a resident does not have to move. If physical decline continues and more intensive care is needed, nursing home care is also available within the confines of the continuing care retirement community.

Upon entrance into a continuing care retirement community, a resident enters into a contract whereby the continuing care retirement community agrees to provide housing, a certain level of activities and health care support as needed in return for the resident's payment of an entrance fee and monthly occupancy fees. In most cases, residents do not own their living unit. The services offered can vary; most provide house-cleaning, laundry facilities and at least some meals. The monthly fee for residents who move into the assisted living or nursing home facilities may be higher than if they had remained in an independent living unit.

A careful review of the contract, preferably by an elder law attorney, is advised to make sure the resident understands what they are buying. Some continuing care retirement communities offer unlimited health services in exchange for the entrance fee, while others provide that residents pay an additional fee for health care services as they are needed. Still others offer a combination of the two. The fee-for-services arrangement is becoming increasingly more common. Other important issues to be reviewed in a continuing care retirement community contract are:

- Who determines when a resident must change living arrangements due to a decline in health?
- What are a resident's rights and responsibilities with regard to furnishing and altering their living unit?
- Under what circumstances would the entrance fee be refundable?
- Under what circumstances can the monthly service fee be increased?
- What services are not covered by the monthly service fee?

Pennsylvania law mandates that all continuing care retirement community contracts:

- provide for continuing care;
- specify all services to be provided and provide that a resident cannot be liable to a health care provider for services that the continuing care retirement community promises to furnish;
- describe any exclusions or limitations on coverage for pre-existing conditions;
- provide for termination by either party upon 30 days written notice and the terms for refund upon termination;
- contain notice of rescission rights before moving in.

The advantages of living in a continuing care retirement community are:

- An individual whose health declines can move into an assisted living unit or, if necessary, to a nursing home within the same residential community.
- Payment of the entrance fee locks in a fixed price for continuing care at an amount that is usually less than the market rate for nursing home care. For this reason, some people consider a continuing care retirement community as a form of long term care insurance. However, if there will be a substantial increase in the monthly service fee upon moving into the assisted living or the nursing home portion of the continuing care retirement community, there could still be a need for long term care insurance.
- A couple that moves into a continuing care retirement community ensures that, if one spouse must enter the nursing home, the other spouse will be living on-site and can easily visit.

Because a continuing care retirement community comprises both assisted living and nursing home care, different activities within the continuing care retirement community can be governed by different laws and regulations. Residents would be protected by the laws that apply to assisted living facilities while they are receiving assisted living services and they would be protected by the laws that apply to nursing homes when residing in the nursing home component of the continuing care retirement community. See previous sections covering assisted living facilities and nursing homes for a description of these protections.

## Nursing Home Licenses: Problems, Sanctions and Revocations

Although nursing home placement is a difficult decision, there are people to help you to verify that you are placing your loved one in a secure environment. One contact person is the Long Term Care Ombudsperson who responds to care issues in all licensed facilities in Montgomery County. The telephone number is 610-278-3600.

Any employee or administrator of a licensed facility who has reasonable cause to believe that a resident of the facility is a victim of abuse is required under Pennsylvania law to report the abuse immediately. The law does not require that the reporter be a direct eye witness; having more than a suspicion obligates them to make an oral report at once, followed up by a written report to law enforcement officials. This reporting requirement protects a care-dependent person and applies to all caretakers. Civil and criminal fines and imprisonment for up to one year can be imposed upon the person or facility that commits the violation or abuse.

Pennsylvania law protects nursing home residents by requiring criminal history background checks by the Pennsylvania State Police of all employees of public or private nursing homes, personal care facilities, adult daycare and home healthcare providers. Employees with certain felony and misdemeanor convictions are precluded from working in these facilities.

The final sanction under Pennsylvania state law is that a facility can have its license revoked or its licensing withheld in the first place for any one of the following reasons: gross incompetence, negligence, misconduct in operating the facility or mistreating or abusing an individual cared for in the facility. This sanction applies to both physical and mental abuse of a patient. This law serves as a deterrent to such abuse since the facility cannot do business without a license. Court cases in Pennsylvania have upheld the decision to revoke the license of homes for abuse of patients.

To investigate licensed personal care homes, contact the Department of Public Welfare Facilities at 215-560-2916. To find out about nursing homes, check with the Montgomery County Department of Health at 610-270-3475. For home health agencies, the telephone number to call is 1-800-222-0989. To search for various types of long term care facilities, visit the website [agingpa.psu.edu/g\\_index.htm](http://agingpa.psu.edu/g_index.htm).

The Pennsylvania Department of Health website, [www.health.state.pa.us](http://www.health.state.pa.us), is another resource that reports the results of surveys and on-site inspections of all long term care facilities in the state. The website contains valuable factual public information. Survey results of complaints and deficiencies are reported for the last 18 months to two years. Constant vigilance and checking of the website is recommended, especially in the event of a change in administration at the facility, which is a frequent occurrence.

### Resources

- "How To Select Long Term Care in Pennsylvania;" "A Guide for Selecting a Nursing Home in Pennsylvania," and "Know Your Rights as a Nursing Home Resident;" Pennsylvania Department of Aging, 717-783-7247.
- "Home Away From Home: A Consumer Guide to Board and Care Homes and Assisted Living;" American Association of Retired Persons, 1-800-424-3410, [www.aarp.org](http://www.aarp.org).

- "Finding the Assisted Living Program For You;" Institute for Health Policy, Heller School, Brandeis University, 1-800-456-9966, [www.brandeis.edu](http://www.brandeis.edu).
- Health Care Finance Administration, [www.hcfa.gov](http://www.hcfa.gov), on-line publications which provide guidance on choosing skilled nursing facilities and nursing homes. For information on long term care options, including continuing care retirement communities, go directly to [www.hcfa.gov/medicare/nurshm1/htm](http://www.hcfa.gov/medicare/nurshm1/htm).

## **Long Term Care Insurance**

The term "long term care" is generally understood to mean the kind of care needed by the old and frail who are, for example, suffering from a dementia such as Alzheimer's disease or other disabilities of old age. Long term care mostly consists of custodial care, i.e., care designed to assist an individual to perform the activities and meet the needs of daily living. Such activities and needs include eating, bathing, dressing, toileting and transferring from a bed to a chair. Supervision or assistance to assure the safety of those with cognitive impairments is also considered custodial care. Long term care can be provided in the home or in a long term care facility, such as a nursing home or an assisted living community.

Neither Medicare nor supplemental Medigap insurance covers long term custodial care. Long term care insurance sold by commercial insurance companies can be purchased to cover "long term care."

### Long Term Care Costs

The average cost of nursing home care in Pennsylvania is currently more than \$55,000 a year. Home health care can cost up to one-half this amount depending on the intensity of the care services provided. In fact, around-the-clock nursing care approaches the cost of a nursing home. Assisted living facilities can run from \$60 to \$150 a day or more.

### Services Covered

When you purchase a long term care insurance policy, it is critical that you understand the types of services that will be covered. Some policies only cover care provided in a nursing home, while others also cover services provided in assisted living facilities, adult day care centers or other community facilities. A policy should be carefully reviewed so you understand exactly the kinds of services that it will cover.

If you want to remain at home as long as possible, consider a policy that includes home care coverage. Policies differ widely in how home care coverage is provided, so a very careful review of this type of coverage is strongly advised. Some policies limit home care coverage to skilled services, i.e., those performed by registered nurses, licensed practical nurses and occupational, speech or physical therapists. Some policies offer a broad range of home care benefits which include services of home health aides who can assist with custodial care. Some policies will also cover homemaker or chore worker services which would pay for aides who cook meals and do housework. Most policies will not pay benefits to family members who perform home care services.

## Coverage Needed

Most policies express benefits in terms of a daily amount. In order to make an informed decision as to the amount of coverage that you will need, you must have an idea of the amount of long term care costs that you anticipate. If your ideal long term care facility charges \$150 a day, you will need a policy that pays a daily benefit of \$150 less the amount of your income. For example, if you receive Social Security benefits of \$1,500 a month (\$50 a day, based on a 30-day month), you will need, at the bare minimum, a policy with a daily benefit amount of \$100.

## Factors Affecting Costs

Most policies include a waiting period, sometimes called an "elimination period," before benefits can begin. This means that you can choose to have benefits begin 20, 30, 60, 90 or 100 days after you enter a long term care facility. The longer the waiting period, the lower the cost of the policy. Of course, you will have to have resources to cover the cost of long term care during the waiting period.

An important feature to consider in any long term care insurance policy is inflation protection. Long term care that costs \$3,300 a month now will cost \$5,375 a month in 10 years and \$8,756 a month in 20 years, assuming an annual inflation rate of 5%. The younger you are when you purchase the policy, the more important it is to consider adding inflation protection. Obviously, this protection adds to the cost of the policy.

## Benefit Triggers

When the benefits are payable under a long term care insurance policy is determined by what are commonly called "benefit triggers." A benefit trigger is a medical condition or a degree of physical or mental disability that an individual must meet before qualifying for benefits.

For a person with a physical, as opposed to a mental disability, policies usually provide for benefits to begin when that person cannot perform a specified number of "activities of daily living," i.e., eating, bathing, dressing, toileting and transferring from a bed to a chair. Policies can differ on the number of activities of daily living that a person must need assistance with before benefits can be triggered. Also, it is important to understand how a policy defines the inability to perform a particular activity of daily living. Does the policy require the need for "hands-on" assistance or does it only call for the need for someone to supervise the activity? The more clearly a policy defines its benefit triggers, the easier it will be to make a claim when necessary.

For a person with a mental or a cognitive disability, some policies provide that benefits are triggered by a diagnosis of "cognitive impairment," such as Alzheimer's disease or Parkinson's disease. This is an important feature to look for in a policy. A person can have a cognitive impairment and need long term care services because it would be unsafe to leave them alone but, if such a person could perform the activities of daily living without assistance, benefits would not be payable without the cognitive impairment trigger.

## Cost Considerations

Long term care insurance is most appropriate for individuals under age 65 whose assets are between \$200,000 and \$700,000. Premiums are usually set for life, based on your age when you buy the policy; therefore, it is cheaper to buy at an earlier age. If you have less than \$200,000 in assets, it may not be worth paying the premiums over a long period of time to protect an estate of that size against the risk of long term care costs. The chances that you will need any sort of long term care is minimal until you reach your eighties. It takes about \$700,000 in investment assets to produce the income necessary to meet annual long term care costs; therefore, a person with assets of this magnitude can essentially self-insure against the risk of long term care costs.

## Consumer Tips

- Ask questions.
- Take your time.
- Get the actual policy and read it before you buy it.
- Ask the insurance agent for a thorough explanation of what degree of disability triggers benefits.
- Do not let the attractiveness of a lower premium push you into a policy that provides less coverage than you really need. A cheap policy that leaves you underinsured is no bargain and a waste of money.
- Consider policies from at least three companies. No two long term care insurance policies are alike.
- Do not spend more than 5% or 6% of your annual income on long term care insurance premiums.
- Check the financial stability of the insurance company you are considering.
- Do not be pressured. Once you receive a policy that you have purchased, you have 30 days to review it and return it if you change your mind.

## Independent Advice

Examining long term care insurance policies is fraught with difficulty for the consumer. This section has outlined the more important provisions of such policies and has tried to convey a sense of the complexity of the issues raised. Other similarly complex provisions not covered in this chapter are duration of coverage, exclusions from coverage and various optional coverages. Once you start shopping for long term care insurance, it would not be unusual for you to be confronted with six or seven policies, each with different provisions, different definitions of the same terms (such as "benefits triggers") and, of course, different prices. Comparison shopping is very difficult because you are never comparing "oranges to oranges."

An independent advisor, such as an elder law attorney, can be invaluable in providing the following services:

- Determining the financial suitability of an individual for long term care insurance.
- Reviewing the financial soundness of prospective insurance companies.
- Understanding, explaining and comparing policy features.
- Pinpointing uncertain terms in the policy and obtaining written clarification from insurance companies.
- Recommending a policy that serves the individual's needs over the long term.

### Resources

- "A Shopper's Guide to Long Term Care Insurance;" The National Association of Insurance Commissioners, 816-842-3600.
- "Overview of Long Term Care Insurance;" Pennsylvania Department of Aging, 1-800-783-7067.
- Long Term Care Planning Guide, 9<sup>th</sup> Edition, 1999; by Phyllis A. Skelton.
- American Health Care Association; [www.ahca.org](http://www.ahca.org); go directly to [www.ahca.org/info/what/htm](http://www.ahca.org/info/what/htm) for "What Consumers Need To Know About Private Long Term Care Insurance."
- Long Term Care Insurance National Advisory Council; [www.longtermcareinsurance.org](http://www.longtermcareinsurance.org).
- Health Insurance Association of America; [www.hiaa.org](http://www.hiaa.org); go directly to [www.hiaa.org/cons/guidelctc/html](http://www.hiaa.org/cons/guidelctc/html) for "Guide to Long Term Care Insurance."

## **Housing Options**

The Pennsylvania Department of Aging outlines several types of housing options for all levels of independence.

### Services For Individuals Who Remain in Their Homes

- Homemaker assistance for daily household activities.
- Personal care for those who cannot manage alone.
- Home delivered meals.
- Family caregiver support which includes one-time grants for home modifications to help with mobility problems.

- Transportation services.
- Senior community centers where older people can get together for social activities, recreation, education, creative arts, physical health programs, and nutritious meals.
- Adult day care centers which provide personal care and medication management for individuals who cannot be left alone during the day.

You can contact the Montgomery County Office of Aging and Adult Services at 1430 DeKalb Street, Norristown, PA 19404-0311; telephone 610-278-3601, for more information regarding these services.

### Independent Housing Options

- Continuing Care Retirement Community (CCRC) offers independent living, usually in an apartment or cottage, and access to a higher level of care such as personal care or a nursing facility. Residents move between levels of care as their needs change. Services, such as meals, medical care, social and recreational activities, are provided through a contractual arrangement for the lifetime of the resident. Residents usually pay an entrance fee and a monthly charge.
- Retirement Communities offer independent living in an apartment or cottage. They are intended for healthy, mobile older people and generally offer no special services. Units may be rented or purchased. Many retirement communities offer recreational amenities such as golf, swimming or tennis.
- Subsidized Housing is made available by the federal government providing rental assistance to low income elderly people. Income eligibility is 50% of the median income for the county of residence; individuals must be age 62 or older. Assistance is determined by an individual's income with tenants paying 30% of their income toward the rent. For information on subsidized housing facilities contact the Montgomery County Office of Aging and Adult Services at 1430 DeKalb Street, Norristown, PA 19404-0311; telephone 610-278-3601.

### Housing Options for Individuals Who May Require Assistance or Supervision

- Domiciliary Care Services for Adults is a supervised living arrangement in a home-like environment for adults who are unable to live alone because of demonstrated difficulties in accomplishing daily activities, social or personal adjustment, or resulting from disabilities. The Montgomery County Office of Aging and Adult Services is responsible for assessment and placement of residents in domiciliary care homes. Residents are eligible for a domiciliary care supplement payment if they are eligible for SSI or have an income less than the combined federal/state payment for domiciliary care and are not related to the provider.
- Nursing Facilities provide medical care, rehabilitation, or other health services to individuals who do not require the care and treatment of an acute-care hospital. Most nursing facility residents are unable to take care of themselves on their own and may have chronic illnesses or were transferred from a hospital following a serious illness, accident or operation.

- Personal Care Homes, sometimes called “assisted living facilities,” offer room and board and assistance with the activities of daily living (such as bathing, grooming and meal preparation, taking prescription medication) but do not require the level of care offered by a hospital or nursing home.

## **Elder Abuse and Neglect**

Be aware that elder abuse or neglect can occur at any time, in any community, at any economic level, among all races and nationalities. Federal and state laws now affirm everyone’s right to be safe; no one has to tolerate abusive situations. Federal and state laws also protect older adults who lack the capacity to protect themselves and are at immediate risk of abuse, neglect, exploitation or abandonment.

### **Signs of Abuse or Neglect**

Abuse can be any one or more of the following:

- infliction of injury;
- unreasonable confinement;
- intimidation;
- any punishment that results in physical harm;
- causing mental anguish;
- depriving food, necessary medication or medical services;
- sexual harassment;
- rape;
- any physically or emotionally controlling behavior that restricts independence or activity.

Elder abuse and neglect is not always easy to identify; signs to consider include:

- bruises and broken bones blamed on falls; the real cause may be pinching or beating;
- weight loss might be result of starvation or neglect, not just illness or lack of appetite;
- dementia is not always a part of aging; malnutrition or the misuse of medications can also be causes.

**If You Observe Abuse or Neglect**

**Call MCAAS Protective Services:  
1-800-734-2020**

## **In an emergency: call 911**

### If You Are Abused

You should not confront your abuser. You need to wait until the abuser is gone or has calmed down so you can secretly and safely call one of these numbers for help:

- Elder Abuse Hotline 1-800-734-2020
- Domestic Violence Hotline 1-800-773-2424
- Montgomery County Aging and Adult Services 610-278-3601
- Pennsylvania Department of Aging 717-783-3126

Be sure to call. You may be able to prevent the next abusive situation by getting help from people who have worked with these problems and will work with you to develop your own personal safety plan. This could mean the difference between life and death.

### Protection From Abuse Orders (PFAs)

You can go to court to obtain an order to keep your abuser away from you. The Women's Center of Montgomery County will help you file the necessary papers and will go with you to court. Call them at 610-279-1548 or 610-970-7363. The abuser may be arrested and if a court deems it appropriate, they may be imprisoned and/or fined.

### Zero Tolerance for Abuse

You should know that many organizations are working in Montgomery County on zero tolerance of abuse. Any time you hear or see abusive behavior you should call 911. If you ignore abuse or think it will improve without intervention you may be risking your life or the life of someone you know. Without help, abuse may get worse; everyone should know that help is available.

## **Americans With Disabilities Act (ADA)**

The Americans with Disabilities Act was designed to protect people who suffer from a disability and to prevent discrimination against any person because of a disability. Significantly, this protection extends to a person's right to be employed. The ADA mandates that, under certain circumstances and presuming certain conditions are met, a person cannot be denied employment solely because of a disability.

## Disability Defined

The first question to consider is what, exactly, is a “disability”? The language of the ADA defines a disability as “a physical or mental impairment that substantially limits one or more major life activities of an individual.” That means if a person has a long-term physical illness or injury or has a mental condition which prevents or limits them from doing something that other people normally do, they probably would be labeled as having a disability under the ADA. What are the things that people normally do? They are the simple things that the average person does with little or no difficulty, such as caring for oneself, walking, seeing, hearing, speaking, breathing, learning, sitting, standing, lifting, reaching, reading, etc. Many written cases in the law define what is a major life activity and what is not. To be considered a disability under the ADA, the disabling condition must be permanent or long-term. So even if a temporary condition, such as a broken bone, the flu, or pneumonia, limits a person’s activities as described, it is not considered a disability under the ADA.

## Accommodations

Under the terms of the ADA an employer must make what is called “reasonable accommodations” to an employee, or potential employee, who has a disability. If an employee can perform the essential functions of a job, i.e. the primary duties of a job position, with a reasonable accommodation being made by an employer, then the employer cannot fire or refuse to hire the employee because of a disability. If an employer refuses to hire a person, or fires a current employee solely because of a disability or to avoid having to accommodate that disability, then that employer has discriminated against that person, according to the ADA.

Reasonable accommodation is necessarily determined on a case-by-case basis. As a general rule, an accommodation is any change in the work environment or in the way things are normally done on the job so that a person with a disability can perform the essential functions of the job safely and adequately. This change or accommodation will vary according to the circumstances, i.e. what type of job and what type of disability. The accommodations an employer makes can be as simple as bending the work rules (perhaps allowing more breaks to a person with a chronic bladder problem), or as difficult as removing a physical barrier (such as installing a ramp so that a person in a wheelchair can get up a flight of steps). The most common forms of accommodation are physical changes to the work area (as with the handicap ramp); part-time or modified work schedules (for example to accommodate therapy appointments); modified equipment (i.e. an amplifier for a phone for someone who is hard of hearing); or special equipment, such as a braille typewriter for someone who is blind. But there are limits to how much an employer is obligated to do to accommodate a person with a disability.

First of all, no employer is required to lower production standards or eliminate an essential job function or duty as a reasonable accommodation. This applies across the board. While an employer may be obligated to make accommodations so that an employee can meet production standards, or perform their job duties, the production standards and job duties themselves do not have to be changed as part of that accommodation. Furthermore, an employer may argue that making a certain necessary accommodation will cause an “undue hardship” to their business, and thus they should be relieved of that obligation. This is a very “sticky” point and is decided on a case by case basis.

However, as a general rule, an undue hardship is any accommodation that would cause significant difficulty or expense to the company, or that would be so disruptive as to seriously affect the operation of the business and the ability of the business to continue operating.

An important factor to consider regarding undue hardship is the size of the company. What may be considered a financial hardship to a small restaurant or shop may be no big effort for a large corporation. Also the nature of the business itself is a big factor. For instance, if a waitress in a restaurant needs to take a five minute break every half hour, this might be considered an undue hardship since it would be disruptive to the normal demands of the business. However, if the employee requesting the five minute break every half hour is a computer programmer, this may not be quite so disruptive to the job or the business in general. Similarly if the very nature of the job makes an accommodation impossible or impracticable an employer will be relieved of the obligation. For instance, a blind person cannot be a proofreader of news articles and a person with a serious speech impediment cannot reasonably perform the job of a telephone receptionist.

### Reassignment

In order to qualify for protection under the ADA, an employee should be able to perform the essential functions of their job, with reasonable accommodation. However, the courts have found that if a person is unable to perform the essential job functions of their current position, the employer may still be obligated to reassign them to another position that they can perform, with or without accommodation. This obligation to reassign an employee kicks in under three different circumstances:

- if the employee cannot perform the essential functions of their present position, despite reasonable accommodations;
- if the employer claims the accommodation needed to keep the employee in their current position would cause undue hardship; or
- if no accommodation is practicable or possible for the person to perform the job duties of their current position.

Furthermore, if reassignment is appropriate, there has to be a position available; the employer need not create one. The position must be vacant and the employee must qualify for the new position. In the example where the employee has a speech impediment and cannot act as a telephone receptionist: if the employer has a vacant word processing position available and the employee can effectively use a word processor and perform the duties of that position, then reassignment is appropriate. Although reassignment seems like a great idea, it can be to a lower paying position, or outside the geographical area, in which case the employee pays the moving expenses. If the employee refuses the position because of lower pay or a move being required, they cannot later come back and make a claim against the employer under the ADA, since the employer satisfied the obligation.

## **Age Discrimination in Employment Act (ADEA)**

The Age Discrimination in Employment Act is designed to protect people who are age 40 and over from discrimination in the workplace. Discrimination in this instance is any act by an employer which treats a person unfairly because of their age. This not only includes firing someone because of their age, but includes actions which result in those over the age of 40 being treated differently and less favorably. For instance, if someone over the age of 40 is receiving less pay for doing the same job as someone who is younger, when both employees are otherwise on the same level, there may be a claim for age discrimination. The protection also extends to hiring practices. If a person feels that they are being passed over for a job solely because they are age 40 or over, the ADEA may offer protection. The person claiming discrimination in this instance should be able to show that they were qualified for the job, that someone younger and less qualified was hired in their place, and that there was no other valid reason for the failure to hire.

Sometimes employers try to disguise age discrimination by claiming that the layoff or discharge of an employee is caused by a reduction in workforce or downsizing. Even in such an instance, if the discharged employee is over the age of 40 and can show that they are as qualified for the position as other younger employees who were retained and not fired, that employee may have the basis for a claim for protection under the ADEA.

### **Protection From Discrimination Against Caregivers**

Recently, the ADA and the EEOC (Equal Employment Opportunity Commission) regulations have been the subject of federal court cases. The regulations found in both these laws are very clear that people who may not have disabilities, whether age-related or otherwise, but who are discriminated against anyway based on their known relationship or association with a person with a disability may find protection in these provisions of these laws.

It is generally known that the ADA protects individuals with disabilities from employment discrimination. However, it also offers protection against discrimination that a current or future employer may impose based upon their knowledge and the employer's actions taken based on that knowledge. If the employer knows about a family member or friend's disability and then limits or terminates your job opportunities, you may be protected by this federal law. For example, if a family member who is a caregiver to either a chronically ill or disabled person, or to a person with an age-related disability is offered a job, but then has the offer withdrawn when the employer finds out that you have a family member in this situation. Watch out for employers who may deny you opportunities or promotions at work under the pretext of "reducing your stress." Also, an employer may terminate or limit hiring or job opportunities due to their concern about increasing health insurance costs for a person's relative or caregiver. The courts may extend protection in the event that it is proven that the employer discriminated based upon their knowledge of the caregiver being related or associated with a disabled or chronically ill person. However, the courts have not been overwhelmingly favorable to the assertion of these types of associational claims.

## Special Agencies

The Pennsylvania Human Relations Commission (PHRC) is the agency set up by Pennsylvania to assist in discrimination cases; the Equal Employment Opportunity Commission (EEOC) is the parallel agency of the federal government. These agencies are fairly "user friendly," designed to assist you with any claim for discrimination you feel you may have. However you have deadlines by which you must notify either the EEOC or the PHRC of any act of discrimination. The PHRC gives you 180 days after the discriminatory act to give them notice and file the necessary paperwork. The EEOC gives you 300 days to do so. If you feel your employer has treated you unfairly because of your age, you should not wait to take action. You should contact the EEOC or the PHRC without waiting for the matter to be resolved by your employer, because if it doesn't get resolved within their time frames, you may have lost your right to make a claim. The ADEA is there to protect your rights but in order to be protected you must discharge your responsibilities in the matter. Contact the PHRC at 101 South Second Street, Harrisburg, PA 17101; telephone (717) 787-4410.

## Consumer Protection

The Montgomery County Office of Consumer Affairs can help you with your consumer complaints, such as if you believe you have been defrauded by a business or door-to-door salesperson, illegally harassed by an unscrupulous debt collector, or victimized in deceptive sales practices by a home improvement contractor or mail order business. This office, an agency of the Pennsylvania Office of the Attorney General, investigates and mediates consumer complaints. They are located in the Montgomery County Human Services Center, 1430 DeKalb Street, Norristown, PA 19404; telephone 610-278-3565; fax 610-278-5228.

## Suggestions For Resolving Complaints

The Office of the Attorney General publishes consumer protection booklets which include these suggestions if you plan to resolve a complaint yourself:

- Decide on the specific complaint you wish to make;
- Have a clear statement of the specific action you want the person or business to take to remedy your complaint;
- Proceed without delay;
- If you are making the complaint in person, take along the purchase receipt, any guaranty or warranty, and if possible, the product;
- Be assertive! If you are told by a salesperson or company representative that they cannot deal with your complaint, ask for higher authority;
- If you complain by mail, give the brand name, model number, size, color and other details needed for identifying the product. Include in your letter a specific explanation of the circumstances surrounding your complaint;
- Keep copies of your letter and all correspondence you receive. If you return the product, be sure to insure it.

If you are unable to resolve your consumer complaint, you can file a written complaint on a pre-printed form with the Bureau of Consumer Protection, Strawberry Square, 15<sup>th</sup> Floor, Harrisburg, PA 17120. Their hotline number is 1-800-441-2555.

### Avoiding Scams

The Office of the Attorney General periodically publishes the "Consumer Reference Guide for Seniors," a pamphlet that can help you to avoid scams and frauds. The pamphlet reiterates the phrase "If it sounds too good to be true, it probably is," and points out that scam artists typically use the "nice guy" approach. It also states that con artists often use words or expressions including:

- Living Trusts/Annuities
- "Cash only" - Why is cash necessary for a proposed transaction? Why not a check or credit card?
- "Secret plans" - Why are you being asked not to tell anyone?
- "Get rich quick" - Any scheme should be carefully investigated.
- "Something for nothing" - A retired swindler once said that any time you are promised something for nothing, you usually get nothing.
- "Contests" - Make sure they aren't a hoax to draw you into a money-losing scheme.
- "Haste" - Be wary of any pressure to act immediately or lose out.
- "Today only" - If something is worthwhile today, it is likely to be available tomorrow.
- "Too good to be true" - Such a scheme is probably neither good nor true.
- "Last chance" - If it is a chance worth taking, why is it offered on such short notice?
- "Left-over material" - Left-over materials might also be stolen or defective.

If you are unable to obtain the relief that you expected from the Bureau of Consumer Protection, you should promptly seek legal advice from a qualified, reputable local attorney, because there are strict time limits in which you must pursue any legal actions for fraud. Typically a written civil complaint must be filed with the appropriate court within two years of the commission of the fraud.

### Charitable Organizations

Senior citizens who are solicited by charitable organizations can call the Pennsylvania Department of State's Bureau of Charitable Organization's toll-free number at 1-800-732-0999 to find out if the organizations are registered to solicit contributions; how much income the organizations received; how much the organizations spend on programs, services, administration and fundraising. Seniors can also call the toll-free number with any complaints they have about organizations which have solicited funds from them.

Some precautions when you are called for donations:

- ask for written information, including the charity's name, address and telephone number;
- ask for identification; if the solicitor refuses, hang up;
- call the charity to check whether they are aware of the solicitation. If they are not responsible, you should report the call to your local police department so they can investigate the potential for fraud;
- watch out for organizational names which sound like established charities; some phony groups use titles that closely resemble respected legitimate organizations;
- know that "tax-exempt" is not the same as "tax-deductible." The exemption refers to the organization but your contribution may or may not be deductible and if that is important to you ask for a receipt for the amount of your contribution;
- be skeptical if someone thanks you for a pledge you do not remember making. Keep records and check them;
- refuse high pressure appeals. No legitimate organization should pressure you for your gift.

### Mail Fraud

Mail fraud is illegal but it nevertheless remains a perfect means for a con artist to try and trick you. Do not respond to sweepstakes or contests that ask for money or your credit card. For additional information on mail fraud, call the U.S. Chief Postal Inspector at 202-268-2284 or your local postmaster. If you think you are a victim of mail fraud you can call the Postmaster General toll free at 1-877-987-3728, write them at Know Fraud, P.O. Box 45600, Washington, DC 20026-5600, or visit their website at [www.consumer.gov/knowfraud](http://www.consumer.gov/knowfraud).

### Telemarketing

Telemarketing is another method commonly used to get your personal information such as credit card numbers, checking account numbers, Social Security number, driver's license number, etc. Do not give out this information unless you placed the call yourself to a well known, reputable company. Other tips include:

- never pay for a prize over the phone;
- never allow a caller to pressure you into acting immediately;
- never agree to any offer until you have seen it in writing; and
- the law prohibits telemarketers from calling consumers who have stated that they do not want to be called.

## Do Not Call Lists

Under this new law, those who telemarket in Pennsylvania, with some major exceptions, such as charities and political groups, are required to check their own lists on a quarterly basis, to monitor who they may not call. In order to be placed on the do-not-call list you can sign up on the Internet ([www.nocallsplease.com](http://www.nocallsplease.com)) or by telephone: (1-888-777-3406). Over 2.2 million Pennsylvanians have signed up for the do-not-call list.

**Enforcement:** If you believe a telemarketer is violating the law, you can file a complaint on line or by telephone at the above number or Internet address. There are no first tries, every violation should be reported.

Prerecorded calls are more problematical but a complaint can be filed with the FCC by calling 1-888-225-5322; online at [www.fcc.gov/cbg/complaints.html](http://www.fcc.gov/cbg/complaints.html), or by letter to the FCC Consumer and Governmental Affairs Bureau, Consumer Inquiries and Complaints Division, 445 12th Street, S.W. Washington, D.C. 20554. Prerecorded calls are illegal if made to residential phone lines. Exceptions include calls from tax-exempt nonprofits or from companies with which you already have an established business relationship.

## On-line Scams

On-line scams also are abundant in today's age of the information superhighway. For the most part, the same rules apply so beware of being misled. For additional information about on-line scams, contact the National Fraud Information Center, Consumer Assistance Service at 1-800-876-7060 or visit their website at [www.fraud.org](http://www.fraud.org).

## Resources

The U. S. General Services Administration Consumer Information Center publishes annually a comprehensive "Consumers' Resource Handbook" which is available by writing the Consumer Information Center, Pueblo, CO 81009 or accessing the CIC website at [www.pueblo.gsa.gov](http://www.pueblo.gsa.gov).

This publication has two parts: "Buying Smart" contains general advice on shopping; information on how to shop for major items such as cars, credit or home improvement; suggestions on how to complain effectively including a sample letter of complaint. The second part is a "Consumer Association Directory" with lists of offices of consumer organizations, corporations, trade associations and government agencies at all levels.

## **Grandparents' Custody and Visitation Rights**

All fifty states now give grandparents the right to visit with and to obtain custody of their grandchildren in certain situations. Pennsylvania custody laws permit a court to grant partial custody or visitation when parents are divorced or separated for six months or more, if this would be in the best interest of the child and would not interfere with the parent-child relationship. The court must consider the amount of personal contact between the parents or grandparents and the child prior to the grandparents filing in court for these rights. This section of the law also may permit visitation by grandparents where the parents of the child are unmarried.

In all cases involving custody of children the paramount concern of the court deciding custody or visitation matters is the best interest of the child. This standard is broadened in the cases of a grandparent to include that the granting of rights should not interfere

At any stage, an agreement may be reached between the parents and grandparents instead of proceeding further in the legal system.

Grandparents may also petition for either partial custody and visitation if an unmarried grandchild has lived with the grandparents or great-grandparents for one year or more and is subsequently removed from the home by his/her parents.

A grandparent may want to gain full custody of a grandchild and can bring a case to court since they are deemed to have legal standing to do so. The standard the court will look at in this situation is whether it is in the best interest of the child not to be in the custody of either parent and if it is in the best interest of the child to be in the custody of the grandparent instead. In order to be awarded custody by the court the grandparent must meet three conditions:

- they must have genuine care and concern for the child;
- they must have begun their relationship with the grandchild due to a court order or the consent of a parent; and
- they must have assumed the role and responsibilities of a parent to the grandchild for the last year, due to the child being declared a dependent child by the court due to a juvenile proceeding, or due to the child being at risk from the parent's abuse, neglect, drug or alcohol abuse or mental illness. An emergency temporary order may be obtained in the latter situation.

Grandparents may wish to act against the separation from their grandchildren that might occur after one parent dies, or after parents separate or divorce and custody of the child is with one parent, or after the child has lived with the grandparents for a significant period of time and is then removed by the parents. However, in all cases in which the grandparent is seeking visitation or custody, it is the grandparent who has the burden of proving to the court that the visitation or custody is in the best interest of the child.

A grandparent is not entitled to be granted visitation rights to grandchildren where the parents are not deceased, separated or divorced and the children never resided with the grandparent. Also grandparents' rights do not apply if the child has been adopted by a person other than a stepparent or grandparent, even if the grandchild resided with the parent, a parent is deceased, or the parents are divorced or the parents are separated.

Earlier cases have stated that grandparents occupy a favored position among other third parties (such as state agencies or others) in custody disputes, and they have standing to petition for physical and legal custody from a natural parent, providing the conditions listed above have been met.

A recent Pennsylvania case is exciting and encouraging to grandparents seeking custody if it is in the best interest of their grandchildren. Of course, all other factors must be met too as enumerated in the Pennsylvania statute. Although the nation closely watched the actions of the U.S. Supreme Court in the case *Troxel v. Granville*, the Supreme Court enforced the rule that the biological parents are favored over grandparents and others in custody and visitation disputes. They also found that the Washington state law providing that any person could petition the court for such rights was too broad and the grandparents in the case did not prevail.

## Mediation Services

Mediation is a process that provides a setting to resolve conflict cooperatively through face to face dialogue with the assistance of an impartial third party. Seniors, their families and caregivers sometimes need support to deal with conflict involving, for example:

- decisions about selling the family home, moving to a retirement community or moving in with a relative;
- tensions from interactions of two or three generations living together;
- adjustments to changes from independence to dependence;
- disagreements over care between health care providers such as nurses or home health aides and seniors and their families;
- conflicts regarding finances;
- disputes between tenants and landlords;
- friction between neighbors regarding noise, vandalism or difference in lifestyles.

## Benefits of Mediation

Specific benefits of mediation can include:

- learning new ways to handle conflict and resolve problems;
- maintaining a better sense of personal dignity and independence;
- avoiding escalation to painful and costly litigation;
- increasing opportunities for seniors and their families to communicate more effectively and to work together with others;
- improving the quality of life and relationships with their circle of support.

Elders, their families or their attorneys may contact the Montgomery County Mediation Center at 26 West Main Street, Norristown, PA 19401; telephone 610-277-8909; fax 610-277-5126.

## **Drivers' Licenses**

Having a drivers' license is considered a privilege. Therefore this license may be recalled or suspended and the privilege to drive an automobile may be revoked upon a determination of incompetency or a finding by a physician of a condition that prevents one from safely operating a motor vehicle. Upon the report of a physician or psychologist, the Commonwealth of Pennsylvania Department of Transportation Bureau of Driver Licensing will send a letter to inform you that your license has been revoked or suspended and must be returned in approximately one month from the date of the letter.

If this occurs, the recall or suspension of a license can be appealed. A petition for appeal must be filed in the Montgomery County Court of Common Pleas. However the filing of the appeal will not act as a stay or postponement of the recall of the driver's license. A hearing will be held in court sixty days from the filing of the appeal. The attorney for the Pennsylvania Department of Transportation will argue that the license should remain revoked based upon the medical evidence of the examining doctor or the statements of the psychologist.

This evidence can be countered by presenting medical evidence and reports of other doctors or by successfully passing an actual road test that is given locally by Chestnut Hill Hospital, Bryn Mawr Hospital or other driving rehabilitation programs. They make a determination whether the individual can or cannot drive. If the driver is successful, they will send a letter to the Pennsylvania Department of Transportation (PennDOT) and the license will be returned. If unsuccessful, there is always further review by a higher court, although again, filing an appeal will not reinstate the license until the next court decision.

## **Identification Cards**

Most establishments require a driver's license for identification. An ID card, similar in appearance to a driver's license, can be obtained by non-drivers at the Pennsylvania Department of Transportation Driver License Centers. Any Pennsylvania driver who voluntarily surrenders his/her license for medical reasons can obtain this ID free of charge. All others, including those who have never had a driver's license, must pay a \$9.00 fee. You must bring proof of identification such as a birth certificate, your old driver's license and your Social Security card.

## **Handicap Parking**

If you are disabled and need a special parking placard or place you can contact the Pennsylvania Department of Transportation, Bureau of Motor Vehicles, Riverfront Office Center, 1101 South Front Street, Harrisburg, PA 17104; telephone 1-800-932-4600.

## **Personal Records**

It is important to keep complete written records so that your personal information is readily available when needed. In only one place record where the original of your will, power of attorney, and living will are kept. Also include information such as your Social Security number, bank accounts and other investments (including account numbers), real estate holdings, insurance policies, and other important legal and financial information. All of this is required by your agent or guardian in case of your disability or incapacity and is required by your executor or personal representative upon your death.

## A Checklist For Your Personal Filing System

- Income tax returns (federal, state and local).
- Birth, marriage, divorce, custody, adoption and death certificates.
- Naturalization papers.
- Military records.
- Papers documenting real estate and home leases and purchases, mortgages and home improvements.
- Medical records and health insurance cards.
- Social Security records and communications.
- Bank account, brokerage and mutual fund statements (at least 3 years).
- Business and partnership agreements.
- Stock option and pension fund agreements.
- Three years of complete financial records should be saved at all times.
- Save written verification of any closed accounts, liquidated certificates of deposit, and stock or bond sales, for past 36 months.
- Save written verification of any gifts made in the past 36 months.

## **Contributors**

Michelle C. Berk, Esquire  
Law Offices of Michelle C. Berk, P.C.  
400 Maryland Drive, Suite 200  
Fort Washington, PA 19034  
215-793-4900  
[www.berkesq.com](http://www.berkesq.com)

Michelle C. Berk, Editor of the Montgomery County Elder Law Handbook, has a general and elder law practice with offices in Fort Washington and Philadelphia. She received her law degree from Widener University and her undergraduate degree from Syracuse University. She is vice-chair of the Montgomery Bar Association Elder Law Committee and co-chair of the Elder Law Committee of the Family Law Section. She is a member of the National Academy of Elder Law Attorneys. She is also editor and co-author of the Pennsylvania Bar Association Elder Law Handbook. Her practice includes elder law, family law, estate planning and administration, social security, real estate and other areas of general practice. She is a frequent lecturer to senior organizations. She authored this Handbook's sections on Grandparents' Custody and Visitation Rights, Restrictions on Public Benefits for Non-Citizens, Health Care Powers of Attorney, Dealing with Discrimination, Nursing Homes and Drivers' Licenses and updates the Handbook annually.

Robert C. Gerhard, III, Esquire  
Gerhard & Gerhard Law Offices  
222 South Easton Road, Suite 104  
Glenside, PA 19038  
215-885-6785  
[www.paelderlaw.net](http://www.paelderlaw.net)

Robert C. Gerhard, III is a partner with the Montgomery County law firm of Gerhard & Gerhard located in Glenside, Pennsylvania. He wrote "Pennsylvania Medicaid - Nursing Home Care," a legal treatise published by the George T. Bisel Co. He devotes his practice exclusively to estate planning and elder law matters, emphasizing Medicaid law and asset protection for families facing nursing home situations. He chairs the Montgomery Bar Association Elder Law Committee and is a member of the Philadelphia Estate Planning Council, Pennsylvania Bar Association Elder Law Committee and the National Academy of Elder Law Attorneys. Mr. Gerhard received his J.D. from the Dickinson School of Law and earned his tax law degree (L.L.M. Taxation) from the Villanova University School of Law, Graduate Tax Program. Mr. Gerhard is an author and lecturer on the topics of Medicaid and estate planning and is certified as an Elder Law Attorney by the National Elder Law Foundation.

Christopher K. Barber, Esquire  
2 Brookline Boulevard  
Havertown, PA 19083  
610-853-9090

Raised in Springfield Township, Christopher K. Barber began his law career with a small general practice firm in Bucks County. After two plus years he moved on to administer estates with his father's Philadelphia law firm, then worked with firms in Montgomery and Delaware counties. In February 1999, he opened his own practice where as a solo general practitioner, Mr. Barber focuses on family and elder law, including estate planning and administration. A member of the Pennsylvania Bar Association, he is actively involved with the General Practice Committee, Family Law Section (including the Mediation Subcommittee) and the Elder Law Committee of the Montgomery Bar Association. Mr. Barber contributions to this Handbook include Inheritance Tax, Consumer Protection and Advanced Healthcare Declarations (Living Wills).

Sherry E. Baskin, Esquire  
Baskin Family Services, Inc.  
P.O. Box 129  
Gladwyne, PA 19035  
610-649-6002  
610-649-6005

Sherry E. Baskin received her J.D. degree with honors in 1975 from Temple University School of Law. Since then, she has practiced exclusively as a health care attorney in both the government and private sectors, representing hospitals, nursing homes, assisted living facilities and physicians. In addition to advising boards of directors and management in health care facilities, she has also worked closely with patients, families, caregivers, social workers and agencies. She incorporated Baskin Family Services, Inc. in 2001. The company works with the elderly or ill and their families in making and implementing decisions and plans regarding health care, finances and living arrangements. Ms. Baskin authored this Handbook's section on Guardianships.

Harold N. Fliegelman, Esquire  
Fliegelman Elder Law  
17 East Airy Street  
Norristown, PA 19401  
610-272-1928

Hal Fliegelman's practice deals only with the legal problems of elders. Founder-operator of Pennsylvania Elderlaw Network, an internet information exchange among elder law attorneys, he is writer and publisher of the monthly newsletter *Elderlaw* and author of *Medicaid Planning for Guardians*, published by Wake Forest University School of Law. He graduated from Brown University, attended Harvard Law School and graduated from Widener University Law School where he was editor of the Law Review. Active in the National Academy of Elder Law Attorneys, Mr. Fliegelman was co-chair of the Elder Law Committee of the Montgomery Bar Association, is a volunteer counsel to the Senior Citizens' Center of Ardmore and a volunteer lawyer to the Legal Aid Society. Mr. Fliegelman contributed to the Medicaid portions of this Handbook.

Brian J. Hoffman  
Certified Public Accountant  
Certified Fraud Examiner  
Shechtman, Marks, Devor & Etskovitz PC  
2000 Market Street, Suite 500  
Philadelphia, PA 19103  
215-496-9339 x 114

Mr. Hoffman concentrates his efforts in the areas of litigation support, tax planning, and tax preparation. B.J.'s tax and audit practice is varied, including real estate ventures, investment companies, healthcare facilities, professional service providers, high net-worth individuals, and not-for-profit organizations. B.J. also provides litigation support and expert testimony to attorneys in matters ranging from divorce and employee theft to financial statement fraud. Strengthening organizations' internal controls and identifying and eliminating fraud, waste, and abuse is a particular focus of his practice. A *magna cum laude* graduate of Lehigh University's School of Business and Economics, B.J. was recently nominated for the Pennsylvania Institute of Certified Public Accountants' Distinguished Service Award.

Charlotte A. Hunsberger, Esquire  
Souder, Rosenberger, Bricker, Maza & Landis  
114-120 East Broad Street  
Souderton, PA 18964  
215-723-4373

Charlotte Hunsberger is an attorney with the Souderton firm of Souder, Rosenberger, Bricker, Maza and Landis. Her practice is focused in the fields of estate planning, elder law, corporate and real estate law. Ms. Hunsberger received her J.D. from Temple University School of Law and her undergraduate degree from Eastern Mennonite University. She is a member of the Montgomery Bar Association Elder Law Committee, serves on the board of directors of the Souderton Mennonite Homes, on the board of trustees of the Mennonite Historians of Eastern Pennsylvania and on the Franconia Mennonite Conference Finance Committee.

Gerald J. Mullaney, Sr., Esquire  
Mullaney Law Offices  
598 Main Street  
Red Hill, PA 18076  
215-679-7931

Gerald J. Mullaney, Sr., of Mullaney Law Offices located in Red Hill, has been practicing law in Montgomery County since 1969. He graduated from Seton Hall University School of Law and is a member of the Pennsylvania Bar Association and the Montgomery Bar Association where he serves on the Probate/Tax Committee and the Elder Law Committee. He is also a member of the Trust Counselors Network, the Montgomery County and Philadelphia Estate Planning Councils and the National Academy of Elder Law Attorneys. He writes a column for the *Hearthstone Town and Country* newspaper on various topics, including important elder law issues. Mr. Mullaney is also a frequent speaker on elder law and estate planning topics at local civic groups and churches. His contributions to this Handbook include PACE and PACENET, Medicare, Medigap Insurance, Property Tax and Rent Rebates and Powers of Attorneys.

Lois A. Nafziger, Esquire  
High, Swartz, Roberts & Seidel, LLP  
40 East Airy Street  
Norristown, PA 19404  
610-275-0700

Lois A. Nafziger is a partner with the law firm of High, Swartz, Roberts & Seidel, LLP in Norristown. She received her law degree from Temple University School of Law and her undergraduate degree in education from Southern Connecticut State University. She focuses on elder law, handling issues related to health care, disability, Medicare, Medicaid, nursing home care, long term care insurance, as well as estate planning and administration. Ms. Nafziger has served as chair of the Elder Law Committees of both the Montgomery Bar Association and the Pennsylvania Bar Association; she is also a member of the National Academy of Elder Law Attorneys and the Coalition of Advocates for the Rights of the Infirm Elderly. She is a frequent lecturer on the rights of the elderly, long term care financing, living wills and trusts, estate planning and probate. She is the driving force behind the original publication and revision of this Handbook.

Nicholas Orlyk, Esquire  
717 Bethlehem Pike, Suite 130  
Special Care Building  
Erdenheim, PA 19038  
215-233-1760

Nicholas Orlyk, an attorney in private practice in eastern Montgomery County, currently concentrates on Social Security disability benefits. He also represents patients in mental hospitals in civil commitment proceedings. Originally from Detroit, he is admitted to practice law in Pennsylvania, New Jersey, Maryland and Michigan. Mr. Orlyk graduated from the University of Michigan with a B.A. in sociology and urban planning and from Temple University School of Law. He is a former VISTA volunteer, social worker, Legal Aid attorney and he also worked as an assistant city solicitor in the Philadelphia Law Department. As an attorney, he has represented children and adults with developmental disabilities and abused and neglected children in Family Court. Mr. Orlyk authored the Social Security portions of this Handbook.

Patricia A. Ranieri, Esquire  
Montgomery County Court of Common Pleas  
Court House  
P.O. Box 311  
Norristown, PA 19404-0311  
610-278-3228

Patricia A. Ranieri is Deputy Court Administrator for the civil division of the Court of Common Pleas of Montgomery County. Prior to being appointed to her present position, Ms. Ranieri was Disciplinary Counsel with the Disciplinary Board of the Supreme Court of Pennsylvania. Ms. Ranieri has acted as an adjunct professor at Embry Riddle Aeronautical University, Ursinus College, Temple University, Gwynedd Mercy College, Manor Jr. College, Harcum Jr. College and Pierce College. She has been in private practice and acted as a consultant for the Department of Justice on domestic violence issues. Formerly she was an Assistant District Attorney in Montgomery County. Ms. Ranieri has been active in the Montgomery Bar Association having served on the board of directors and as chair of many of the committees including, Continuing Legal Education, Alternative Dispute Resolution, Membership, Fee Dispute, Law Reporter, and the Speaker's Bureau. She has lectured for the Pennsylvania Bar Institute and Montgomery Bar on attorney ethics and is serving her second term on the board of managers for the Montgomery County Youth Center. Ms. Ranieri authored the Elder Abuse and Neglect Section of this handbook.

Harris J. Resnick, Esquire  
22 State Road  
Media, PA 19063  
215-565-0301  
HarrisJResnick@aol.com

Mr. Resnick was admitted to the Ohio Bar in 1977 and the Pennsylvania Bar in 1983. He is a member of the National Academy of Elder Law Attorneys, and the Elder Law Committees of the Montgomery, Delaware and Pennsylvania Bars. He has lectured on elder law topics for the Pennsylvania Bar Institute, Penn State University, Drexel University School of Nursing, Newman College and the Montgomery Bar. His practice is concentrated in elder law, special needs trusts, grandparent's custody, and Medicaid planning and estates administration. He divides his time between his Media office and his branch office in Montgomery County located at 1375 Virginia Drive, Suite 206, Fort Washington, PA 19034. Mr. Resnick contributed to the sections of this Handbook on Medicaid, Long Term Care Insurance and Facilities and Reverse Mortgages.

Kathleen Bilotta Vetrano, Esquire  
Vetrano & Vetrano  
216 Mall Boulevard, Suite 118  
King of Prussia, PA 19406  
610-265-4441

Ms. Vetrano is a partner at Vetrano & Vetrano in King of Prussia where she limits her practice to family law. A frequent faculty member-course planner with the Pennsylvania Bar Institute, the American Bar Association and the Pennsylvania Bar Association, she has written numerous articles for professional journals. Ms. Vetrano is a Fellow in the American Academy of Matrimonial Lawyers and sits on the Council of the Family Law Section of the ABA where she has been chair of the Elder Law Committee since 1994. She is a past chair of the Family Law Committee of the Montgomery Bar Association where she is also a director. She attended the Sorbonne, graduated from Rosemont College and earned her J.D. from the Widener University School of Law. Ms. Vetrano authored the Family Law and Social Security sections of this Handbook.

Barbara B. Zulick, Esquire  
Zulick & Zulick  
27 East Airy Street  
Norristown, PA 19401  
610-279-1010

Barbara Zulick is a partner with Zulick & Zulick in Norristown. She received her B.A. from St. Lawrence University; she earned her J.D. and her Masters of Law in Taxation from Temple University School of Law. Ms. Zulick was the Co-chair of the Elder Law Committee of the Montgomery Bar Association for four years in the 1990's. She currently has served as chair of the Family Law Section of the Montgomery Bar Association. She lectures frequently on Family Law and Estate Planning and administration. Ms. Zulick is a member of the ABA and the PBA and their respective Family Law and Probate and Tax Sections. Ms. Zulick has also served as an on-line elder law expert for the *Philadelphia Inquirer*. She focuses her practice on family law, estate planning and administration. Ms. Zulick contributed to the Gifting and Estate Planning sections of this Handbook.

Doris L. Freeman

A retired educator and former chair of the Montgomery County Commission on Women and Families, Mrs. Freeman continues her interest in public affairs--library services for continuing education, zero tolerance for violence, merit selection of judges, community policing and issues concerning women and children. In the 70s, she was elected to the Montgomery County Government Study Commission which drafted a home rule charter that was narrowly defeated at the polls. She earned a B.A. in English from the University of Montana, an M.S.L.S. from Villanova University, plus post-masters certificates in administration from Penn State and Temple Universities. Mrs. Freeman worked for twenty-two years in the Upper Merion Area School District.

## **Appendix A: Public Libraries in Montgomery County**

Abington Free Library  
1030 Old York Road  
Abington, Pa 19001  
215-885-5180

Roslyn Branch of the Abington Free Library  
2412 Avondale Avenue  
Roslyn, PA 19001  
215-886-9818

### Cheltenham Township Library System

Glenside Free Library  
215 South Keswick Avenue  
Glenside, PA 19038  
215-885-0457

East Cheltenham Free Library  
400 Myrtle Avenue  
Cheltenham, PA 19012  
215-379-2077

Elkins Park Free Library  
563 East Church Road  
Elkins Park, PA 19027  
215-635-5000

La Mott Free Library  
7420 Sycamore Avenue  
La Mott, PA 19027  
215-635-4419

Free Library of Springfield Township  
1600 Paper Mill Road  
Wyndmoor, PA 19038  
215-836-5300

Huntingdon Valley Library  
625 Red Lion Road  
Huntingdon Valley, PA 19006  
215-947-5138

Indian Valley Public Library  
100 E. Church Avenue  
Telford, PA 18969  
215-723-9109

Jenkintown Library  
460 Old York Road  
Jenkintown, PA 19046  
215-884-0593

Lansdale Public Library  
Susquehanna Avenue & Vine Street  
Lansdale, PA 19446  
215-855-3228

#### Lower Merion Library System

Ardmore Free Library  
108 Ardmore Avenue  
Ardmore, PA 19003  
610-642-5187

Bala Cynwyd Library  
North Highland Avenue and Old Lancaster Road  
Bala Cynwyd, PA 19004  
610-664-1196

Belmont Hills Public Library  
120 Mary Watersford Road  
Bala Cynwyd, PA 19004  
610-664-8427

Gladwyne Free Library  
362 Righters Mill Road  
Gladwyne, PA 19035  
610-642-3957

Ludington Public Library  
5 S. Bryn Mawr Avenue  
Bryn Mawr, PA 19010  
610-525-1776

Penn Wynne Library  
130 Overbrook Parkway  
Wynnewood, PA 19096  
610-642-7844

Lower Providence Community Library  
50 Parklane Drive  
Eagleville, PA 19403  
610-666-6640

Narberth Community Library  
Windsor Avenue  
Narberth, PA 19072  
610-664-2878

North Wales Memorial Library  
201 Summit Avenue  
North Wales, PA 19454  
215-699-5410

Pottstown Public Library  
500 High Street  
Pottstown, PA 19464  
610-970-6551

Union Library Company of Hatboro  
243 S. York Road  
Hatboro, PA 19040  
215-672-1420

Upper Dublin Public Library  
805 Loch Alsh Avenue  
Fort Washington, PA 19034  
215-628-8744

North Hills Community Library  
212 Girard Avenue  
North Hills, PA 19038  
215-884-4760

Upper Merion Township Library  
175 W. Valley Forge Road  
King of Prussia, PA 19406  
610-265-4805

Upper Moreland Free Public Library  
109 Park Avenue  
Willow Grove, PA 19090  
215-659-0741

William Jeanes Memorial Library of Whitemarsh Township  
4051 Joshua Road  
Lafayette Hill, PA 19444  
610-828-0573

Wissahickon Valley Public Library - Blue Bell  
Main Library  
650 Skippack Pike  
Blue Bell, PA 19422  
215-643-1320

Wissahickon Valley Public Library - Ambler  
209 Race Street  
Ambler, PA 19002  
215-646-1072

Montgomery County Norristown Public Library  
District Center  
1001 Powell Street  
Norristown, PA 19401  
Main telephone: 610-278-5100  
Reference telephone: 610-278-5105

Conshohocken Free Library  
301 Fayette Street  
Conshohocken, PA 19428  
610-825-1656

Perkiomen Valley Library at Schwenksville  
290 Second Street  
Schwenksville, PA 19473  
610-287-8360

Royersford Free Public Library  
200 S. Fourth Avenue  
Royersford, PA 19468  
610-948-7277

Upper Perkiomen Valley Public Library  
350 Main Street  
Red Hill, PA 18076  
215-679-2020

Montgomery County Bookmobile Schedules: 610-278-5111

## **Appendix B - Sample Advance Health Care Declaration**

I, \_\_\_\_\_ (Name) \_\_\_\_\_, being of sound mind, willfully and voluntarily make this Declaration to be followed if I become incompetent. This Declaration reflects my firm and settled commitment to refuse life-sustaining treatment under the circumstances indicated below.

I direct my attending physician to withhold or withdraw life-sustaining treatment that serves only to prolong the process of my dying, if I should be in a terminal condition or in a state of permanent unconsciousness.

I direct that treatment be limited to measures to keep me comfortable and to relieve pain, including any pain that might occur by withholding or withdrawing life-sustaining treatment.

In addition, if I am in the condition described above, I feel especially strong about the following forms of treatment:

I  do  do not want cardiac resuscitation.

I  do  do not want mechanical respiration.

I  do  do not want tube feeding or any other artificial or invasive form of nutrition (food) or hydration (water.)

I  do  do not want any blood or blood products.

I  do  do not want any form of surgery or invasive diagnostic tests.

I  do  do not want kidney dialysis.

I  do  do not want antibiotics.

I realize that if I do not specifically indicate my preference regarding any of the forms of treatment listed above, I may receive that form of treatment.

Other instructions:

I  do  do not want to designate another person as my surrogate to make medical treatment decisions for me if I should be incompetent or in a terminal condition or in a state of permanent unconsciousness.

Name and address of surrogate: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name of substitute surrogate (if surrogate designated above is unable to serve):

Name: \_\_\_\_\_

I ( ) do ( ) do not want to make an anatomical gift of all or part of my body, subject to the following limitations if any:

I made this Declaration on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

The Declarant or the person on behalf of and at the direction of the Declarant knowingly and voluntarily signed this writing by signature or mark in my presence.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Address

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Address

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