Elder Rights Guide for Older Alabamians

Alabama Department of Senior Services

1-800-AGELINE
www.alabamaageline.gov

Table of Contents

CHAPTER 1:
DECISION-MAKING POWERS FOR HEALTH CARE

Modern medicine has seen many advancements in treating sickness, injury or chronic illness—and these modern miracles continue to improve and enhance our lives. In some cases, however, these techniques can prolong a severely diminished version of life that many people would not choose, if they were able to object.

As a competent adult, you have the right to control decisions not only about your current medical care, but about your future care, including the right to accept or refuse treatment, and the right to be an organ and tissue donor, even if you are unable to speak at the time.

Making decisions about future medical care and sharing your wishes with your loved ones will save them the heartache of having to make decisions for you without knowing what you want; or being prevented from making a decision they believe you would want.

Alabama has several documents that you can prepare in advance that state what health care choices you want made, if a crisis occurs and you can no longer make or communicate your choices.

These "advance directives" must be executed while you are competent. If you wait until you need them, it will be too late. But remember, having written directives is just a start. You must talk with loved ones about your wishes and be sure that medical providers have copies of the executed documents.

LIVING WILL & HEALTH CARE PROXY

You alone have the right to make decisions about your medical care. You have the right to accept, refuse or withdraw any treatment. If you have an advance directive, even if you become too sick or hurt to talk or make health care decisions for yourself, your doctor and family will know what your wishes are—if they know you have the documents. Having an advance directive tucked away in a file is not enough.

<u>What is an Advance Directive?</u>

An Advance Directive is a document signed by you before two witnesses who are not involved in your health care. It tells your doctors and family what kind of care you want if you become too sick or hurt to talk or make decisions. Your family will have to make some decisions for you if you do not have an Advance Directive, but there may be some decisions they are not allowed by law to make. Also, sometimes families do not agree about what the patient would want when the patient's condition is terminal. Those are deeply painful situations for families. Writing down your wishes before a crisis is a gift to your family. If they are not sure of your wishes, they will feel guilty no matter what they do.

<u>What are the types of Advance Directives?</u>

There are three ways to make your wishes known about what care you do or do not want if you become permanently unconscious or unable to speak for yourself. They are:

1. Living Will
2. Appointment of Proxy
3. Durable Power of Attorney for Health Care

<u>Alabama Advance Health Care Directive</u>

Alabama's Natural Death Act outlines a basic health care document that has two parts: A *living will* section and an *appointment of proxy* section. You may execute either part alone, or both parts. The living will allows you to state whether you would want life-sustaining treatments if you are terminally ill or permanently unconscious. Before any decision to withdraw or withhold life-sustaining treatment is made, two doctors who personally examine you, one of whom is your treating physician, must certify on your medical record that you are terminally ill or injured, or permanently unconscious.

"Terminally ill or injured" does not merely mean that you have been diagnosed with a disease that will eventually be fatal. It is more immediate than that. The law also includes a detailed definition of "permanent unconsciousness," and ways of avoiding mistakes. In addition to saying whether you want life-sustaining treatment generally, you must also specify whether you would or would not want artificial nutrition and hydration if they would only prolong the dying process and could not bring recovery.

You can also appoint a **health care proxy** to make decisions if you cannot speak for yourself. It is impossible to plan for every situation, and a living will may not address all your needs. If you have someone whose judgment you trust, that person could make the choices you would make if you were unable to make them. You should talk to the person you appoint to ensure that he or she knows how you feel about different kinds of medical treatment, and to be sure that person will speak up for you regarding your care.

A Living Will *only* takes effect if your condition is terminal. Some doctors and hospitals believe the proxy can also act only in terminal situations. You can add a sentence to your document to make clear that you want that person to make decisions for you any time that you cannot speak for yourself, even if your condition is not terminal.

It is not necessary to have an attorney prepare an Advance Directive. The Alabama form is available, free, from several sources. However, it is very helpful to have the guidance of an attorney or other person who is familiar with these documents.

Health Care Power of Attorney

Another way to appoint a health care proxy, or agent, is to sign a *Durable Power of Attorney for Health Care*. These are generally prepared by attorneys, either as an alternative to or in conjunction with a Living Will. The person you select to serve as your health care agent will be able to make health care decisions for you only if you are determined to be unable to make them for yourself.

A durable power of attorney for health care can help ensure that there is someone authorized to speak for you in situations where you are not terminally ill or injured or permanently unconscious. You may be so ill or seriously injured that you are temporarily unable to make health care decisions.

A durable power of attorney can be executed along with an advance health care directive. Of course, the same person must be appointed in both documents. It is also a good idea to have an alternate proxy and agent, if there is more than one person in whom you have confidence.

How do I set up an Advance Directive?

When setting up an Advance Directive or Durable Health Care Power of Attorney for Health Care, be sure to sign your name and date any form you fill out. An attorney can help you ensure that your document is property written and executed.

Be sure you speak with your family and your doctor so they will know and understand your choices. Provide a copy to your doctor so it can be included as part of your medical records. Give a copy to family members and keep the original at home in a safe place with your other important papers.

You can change your mind at any time about your decisions. If you do make changes, tear up the old copies and give copies of any new forms to everyone who needs to know.

CHAPTER 2:
PLANNING FOR THE FUTURE

"*An ounce of prevention is worth a pound of cure*."
--Benjamin Franklin

Planning for the future is wise. While no one can predict what will happen to them, it is better to have a plan ready and not need it rather than be unprepared. The alternative can be devastating to you and your family. If you do not make arrangements for the handling of your business while you are competent and you later become incapacitated, court proceedings may be necessary to appoint someone to manage your affairs. This can be expensive and emotionally draining to you and your loved ones.

POWER OF ATTORNEY

A Power of Attorney is a legal document that grants authority to another person, called an "agent" or "attorney-in-fact," to conduct business or make health care decisions (in the case of a durable health care power of attorney) for you without a court order. This document authorizes substitute decision making. The Power of Attorney can be effective immediately or become effective upon a period of incompetency and remain effective only during that period. You can revoke a power of attorney at any time while you are still competent.

A ***durable power of attorney*** is a power of attorney which continues to operate and be legally valid even after your disability or incapacity. In order for a power of attorney to be considered "durable," special language must be included. For instance, it should say something to the effect: "*This power of attorney shall not be affected by disability, incompetency or incapacity of the principal*." If it does not have such language, the power of attorney would end when you became incompetent or incapacitated.

A durable power of attorney should be tailored to meet your particular needs. For instance, you may want provisions which would allow your agent to make bank deposits and write checks, pay for debts you owe, collect monies owed to you, manage your property, and other management tasks. Remember, a power of attorney will be subject to strict interpretation. This means that a power of attorney would be restricted to powers expressly granted in it as well as the incidental powers needed to complete the express powers. You should seek legal advice to draft a power of attorney that is right for your needs. If you are creating a power of attorney in order to work with your banks, be sure that the document will meet their needs as well. Some banks may have their own requirements.

A second type of power of attorney is called a ***springing power of attorney***. This becomes effective when you become incapacitated. You will need to include how this incapacity will be determined. Like the durable power of attorney, special language must be included. For instance, it should say something to the effect: "*This power of attorney shall become effective upon the disability, incompetency or incapacity of the principal*." A major drawback to the springing power of attorney is some people may be hesitant to accept a springing power of attorney as they may not be entirely sure that the powers have truly "sprung" into effect.

Whichever power of attorney you choose, keep in mind that it can place a great deal of power into the hands of the named agent. You should be very cautious when deciding who you want to name as the agent and what powers you want them to have. An agent named in a power of attorney is not subject to court supervision. If an untrustworthy person is named as the agent, a power of attorney can quickly become a means of financial exploitation against you.

REPRESENTATIVE PAYEE

A representative payee is an individual or organization that receives Social Security and/or SSI payments for you when you cannot manage or direct the management of your money. Payees use the funds for your current and foreseeable needs and save any remaining funds for your future use. The law requires minor children and legally incompetent adults to have payees. In all other situations, you are presumed to be capable of managing benefits. If there is evidence to the contrary, however, the Social Security Administration (SSA) may appoint a representative payee.

The representative payee must apply to the SSA and it will be the SSA that will name who the representative payee will be. If you are a power of attorney for a beneficiary who is found incapable of managing their own benefits, you must still file an application to serve as representative payee. A representative payee will have responsibility over Social Security or Supplemental Security Income (SSI) benefits only. So, if you receive a pension or other income, the representative payee does not have the ability to use that income to pay for your expenses.

A representative payee cannot:

- Sign legal documents, other than Social Security documents, on behalf of you.
- Have legal authority over earned income, pensions, or any income from sources other than Social Security or SSI.
- Use your money for his personal expenses, or spend funds in a way that would leave you without necessary items or services (housing, food, medical care).
- Put your Social Security or SSI funds in his or another person's account.
- Keep conserved funds once he is no longer the payee.
- Charge you for services unless authorized by SSA to do so.

For more information on representative payees, the Social Security Administration website has a wealth of information. Visit www.ssa.gov.

WILLS AND ESTATE PLANNING

There are several ways to plan on how to distribute the things you own after your death (your estate) and who you want to be in charge of making those distributions. The most common way to handle your estate after your death is a will. Another way is to hold the property in joint tenancy with other people. A third way is to establish a trust.

If you have disabled children or are the primary caregiver of others who have special needs, planning ahead can help you provide for them after you are gone.

What is an estate?

Your estate includes all your material possessions. It includes real property, which is land and any permanent structure on it, such as a house or barn. Your estate also includes personal property, such as furniture, cars, money and jewelry. Different parts of your estate can be owned in different ways. Personal property can be tangible (anything you can touch) or intangible (things that have value but which you cannot hold in your hand).

What is a Will?

A Will is a legal declaration of your wishes regarding the disposition of your property after you die. Regardless of "how much" you have, it is a good idea to have a will.

If you die without a will, you die intestate. That means that your assets will be divided among your immediate family according to Alabama law. For instance, if you have no children or parents, your spouse will receive your entire estate. If you have no children but have parents, your spouse will get the first $100,000 plus one-half of the balance with the remainder going to your parents.

Because wills often become public after your death, some people prefer to dispose of property in other ways. Before you make any decision about what is best for you, you should speak with your attorney. An uninformed decision made now can have a large impact on your future. Some examples of other alternatives are:

- Life insurance policies or trusts
- Gifting cash or other assets before your death
- Transfer on Death (TOD) or Payable on Death (POD) bank accounts
- Holding assets by joint tenancy with right of survivorship (JTROS), meaning the assets transfer automatically to the joint tenant at the time of death
- Holding assets through a tenancy in common, meaning each tenant has a divided interest in the property that can be independently sold
- Retirement plans and Individual Retirement Accounts (IRAs)
- Revocable living trusts, which give all your assets to a trustee for management before your death

What does a valid will require?

- You must be at least 18 years old.
- You must be of sound mind. This means you have "capacity" and you understand what you are doing and appreciate the consequences of your actions.
- The will must be signed by you or someone else in your name in your presence and under your direction.
- Two witnesses are required to sign the will and witness you signing it (or someone else signing it at your direction and in your presence).
- The will must be in writing.
- The will may make a disposition of property to any person.
- It is a good idea to have the will "self-proved" which requires two witnesses and a notary public. This eliminates the need to find one of the witnesses after your death in order to have the will admitted to probate.

Can I change my will?

You may change your will at any time as long as you are competent. You may completely revoke your will and execute a new one. You can change it by a document called a "codicil." A codicil will allow everything in your will to stay the same except for the parts you change through the codicil. Remember: Never write on your will, make hand-written changes to the will or attempt to modify it in any way yourself. This could make your entire will invalid. Consult an attorney if you want to change or revoke your will.

Note: It is important that you let your family know where to locate your will and estate documents. Keep your will in a safe place with your other important papers.

What do I need to take to the attorney?

- Deeds to all property you own or have an interest in.
- List of bank accounts, account numbers, where the accounts are located, names of anyone on the account with you and the approximate balances.
- Stocks and bonds, certificate or account numbers, names of owners, when and at what price they were purchased.
- Insurance policies or annuities on your life and health.
- Retirement accounts, including the names of the administrator and company from which you retired.
- IRAs, SEPs, 401K plans and other similar accounts, including account number, approximate balance, beneficiary, basis (amount you invested).
- Evidence of debt, such as mortgages, credit card balances, loans or notes to banks or others, including to whom owed, balances, rates of interest and payment amounts and dates due.

- Names and addresses of who you want to be the executor of the estate (the person who handles the distribution of the estate according to the will), and trustee if it is possible a minor (someone under the age of 19) might inherit, or if you are considering a trust, and a general idea of how you want your property distributed.
- Names and addresses of all immediate family members (spouse and children; parents, brothers and sisters if there is no spouse or child); names and ages of grandchildren and of other relatives or non-relatives to whom you wish to leave property. Never leave real property or significant personal property to a child. If it

is likely that a child will inherit, provide the name of a reliable trustee to handle the property until the child reaches an age at which (s)he is reasonably likely to handle it wisely, which may be more than just the age of majority.

OTHER ESTATE PLANNING TOOLS

Trusts:

A trust is a device for transferring property to another person (the trustee) to be held in trust for the benefit of one or more beneficiaries. A settlor or trustor is a person who creates a trust and transfers some of his/her property into it.

There are several different kinds of trusts:

- **Revocable trust:** One that can be revoked or changed at any time, for any reason before the death of the settlor. This trust is also called an inter vivos or living trust. (Living trusts become irrevocable at the death of the original settlor.)

- **Irrevocable trust:** A trust that cannot be revoked or changed once it is set up and executed.
- **Testamentary trust:** A trust that is set up in and by a Will.
- **Special Needs trust:** A trust that is funded with assets of a Medicaid applicant or spouse and has a payback provision to Medicaid.
- **Qualified Income trust (Miller Trusts):** Alabama has an income cap for purposes of qualifying for long term care Medicaid benefits. If the Medicaid applicant has monthly income even a few dollars over the limit, the Medicaid benefits will be denied. A Miller Trust can divert excess income into the trust. A Miller Trust must be composed of only pension, Social Security or other income to the individual and must provide that the Medicaid Agency will be reimbursed for the costs of medical assistance provided by Medicaid upon the death of the trust beneficiary.

If you plan on establishing a trust, seek legal advice before doing so. Trusts can have an impact on Medicaid eligibility and what may look like a terrific opportunity now, can quickly turn into a nightmare later in life.

Joint Accounts:

Bank and brokerage accounts may have two or more owners listed on them. If an account is a "joint account with rights of survivorship," each joint owner has a right to all the proceeds in the account, whether or not the person contributed anything to it. It is possible, however, to have joint accounts that are "convenience" or "agency" accounts, which allow another person access to the funds but no ownership interest.

Most joint bank accounts are set up as *survivorship* accounts which means when one joint account holder dies, the entire account will pass to the other person whose name is on the account. A will cannot change that.

Real property may also be owned by more than one person. For instance, married couples usually own their homes as joint tenants with right of survivorship. This means that the home will pass to the survivor at the death of one spouse. Whether it is the best type of ownership in other relationships depends on the circumstances. You should consult an attorney regarding deeds to real property to find what will work best for you in your future plans.

GUARDIAN AND CONSERVATORSHIP: A LAST RESORT

All states have a safety net available for those situations in which no voluntary plans were made by a person who later becomes incompetent. But these safety nets are often at the expense of the freedom and independence of the person. In Alabama, appointment of someone to make personal decisions and supervise living arrangements of another person is called a Guardian. The process of appointing someone to manage the property of an incapacitated person is called Conservatorship.

Both of these situations mean that you will not have complete control over the decisions that affect your life, such as selling a home or opening a credit card account. If you do not have a durable power of attorney to handle your personal matters in the event you become incompetent, you will have virtually no choice in who the Probate Court selects to serve as your guardian or conservator. The probate judge can appoint two people to serve the different functions of guardian and conservator, or one person to serve in both capacities.

Once you have been declared incompetent, you lose several rights including the right to:

- Determine your residence
- Consent to medical treatment
- Make end-of-life decisions
- Possess a driver's license
- Manage, buy or sell property
- Marry
- Vote

Usually these procedures are initiated by someone close to the incapacitated person. If there is no one to step forward and do so, however, the process can be started by a report to the Department of Human Resources that an individual is being neglected, abused or exploited. Under the Adult Protective Services Act, DHR can investigate and if court action appears to be warranted to prevent abuse, neglect or exploitation of a vulnerable adult, DHR initiates the Guardianship process. In those counties where there is a County Conservator, that person is usually appointed at least to manage the property.

Although sometimes necessary this process can be an expensive and cumbersome way to deal with incapacity. It is far better for you to realize that you may have some period of disability, and if there is a suitable person available, to appoint an agent under a Durable Power of Attorney to provide for you during this time.

CHAPTER 3: MEDICARE

Medicare is a national health insurance program for people age 65 and older, under age 65 with certain disabilities and any age with End-State Renal Disease (permanent kidney failure requiring dialysis or a kidney transplant). Medicare has the following parts:

- Medicare Part A (hospital insurance)
- Medicare Part B (medical insurance—including Medicare preventive services)
- Medicare Part C (Medicare Advantage plans which replaces your Part A and B coverage with a private health insurance plan)
- Medicare Part D (Medicare prescription drug coverage)

MEDICARE

Medicare Part A (hospital insurance) helps cover your inpatient care in hospitals, critical access hospitals, inpatient rehabilitation facilities, skilled nursing home facilities (not custodial or long-term care), hospice care services, and home health care services. You must meet certain conditions to get these benefits. Part A and Part B coverage combined are often referred to as Original Medicare.

Medicare Part B (medical insurance) helps cover medically necessary services like doctors' services, outpatient care, and other medical services that Part A doesn't cover. Part B also covers some preventive services. You must pay a monthly premium for Part B coverage as well as a coinsurance and/or deductible for these services. Part A and Part B coverage combined are often referred to as Original Medicare.

Medicare Part B has a standard monthly premium; however, some people have to pay an amount higher than this standard premium based on their income. Your monthly premium will be higher than the standard if you are single (file an individual tax return) and your annual income is more than $82,000. If you are married (file a joint tax return) and your combined annual income is more than $164,000, you will also pay a higher Part B premium. The increase in your premium will depend on how much higher your income is than these amounts.

Your Part B premium is usually taken out of your monthly Social Security, Railroad Retirement, or Office of Personnel Management payment. This payment is taken out when your Medicare Part B coverage begins. If you aren't getting any of these payments, Medicare will bill you for your premium every three months.

Medicare Part C (Medicare Advantage Plans) combines Part A and Part B and sometimes Part D coverage. Medicare Advantage Plans are health plan options approved by Medicare and run by private companies. Medicare Advantage Plans cover medically

necessary services that Original Medicare covers, however, the plans can charge different copayments, coinsurance, or deductibles for these services. Medicare Advantage Plans also still require you to continue to pay your Part B premium. You must have both Part A and Part B coverage in order to be eligible to enroll in a Medicare Advantage Plan. Once you have enrolled, the Medicare Advantage Plan becomes your health insurance coverage. You are no longer in Original Medicare.

Medicare Part D (prescription drug coverage) is a Medicare prescription drug plan offered by insurance companies and other private companies approved by Medicare. You choose the Medicare drug plan and generally pay a monthly premium. If you decide not to join a Medicare drug plan when you are first eligible, you may pay a late-enrollment penalty if you choose to join later.

You can join a Medicare drug plan when you first become eligible for Medicare. After this initial enrollment period, you can change your plan from November 15-December 31 each year and your new coverage will begin January 1 of the following year. Enrollment in a Part D plan is generally for the calendar year.

If you have or are eligible for prescription drug coverage from an employer or union, TRICARE, the Department of Veterans Affairs, the Federal Employees Health Benefits Program (FEHBP), or a state program, be sure to review the materials you get from the insurer or plan provider and ask your benefits administrator, insurer or plan provider before you make any changes to your current coverage. You may have creditable drug coverage through that company which means you may not need to sign up for a Medicare prescription drug plan.

MEDICARE HEALTH PLAN CHOICES

The **Original Medicare Plan** allows you to go to any doctor, specialist or hospital that accepts Medicare. No referrals are necessary. In the Original Medicare plan, if you have Medicare Part A and/or Medicare Part B, you get all the Part A and/or Part B covered services. You must pay a monthly Medicare Part B premium to get the Part B covered services. You may have to pay additional costs like a deductible, coinsurance or copayment for some Medicare-covered services. Some things, like prescription drugs, are not covered. With this plan, you pay your share and Medicare pays its share. To help cover extra health care costs, you may want to get a Medigap (Medicare Supplement Insurance) policy. You may also want to join a prescription drug plan to help pay for your prescription drugs. You can choose one or both of these types of additional coverage.

Medicare Advantage Plans are not available everywhere and each plan varies. These plans must cover all Medicare Part A and B health care. Some plans cover additional things such as prescription drugs, hearing or dental. Medicare Advantage Plans generally have provider networks. This means you have to see doctors who belong to the plan or go to certain hospitals to get covered services. You may need a referral to see specialists. If you join a Medicare Advantage plan, you cannot purchase a Medigap policy to help cover the extra health care costs the Medicare Advantage Plan does not cover. You would be responsible for paying any deductible, coinsurance or copayment for services.

In addition to the Original Medicare Plan, you can buy the following additional coverage to help pay your heath care costs:

- A Medicare Prescription Drug Plan and/or
- A Medigap (Medicare Supplement Insurance) Policy.

The following are types of Medicare Advantage Plans that may be available in your area:

- ***Health Maintenance Organizations (HMO) Plans*** – You generally must get your care from a primary doctor, specialist or hospital on the plan's list, except in an emergency.

- ***Preferred Provider Organization (PPO) Plans*** – In most of these plans, you pay less if you use primary care doctors, specialists or hospitals on the plan's list. You can elect to use providers not on the plan's list, but you may pay more. A referral is often not needed to see a specialist.

- ***<u>Special Needs (SNP) Plans</u>*** – These plans are generally limited to certain groups of people such as those in certain institutions, like a nursing home, those eligible for both Medicare and Medicaid, or those with certain chronic or disabling conditions (for instance ESRD, cardiovascular disease or diabetes).

- ***<u>Private Fee-for-Service (PFFS) Plans</u>*** – You may go to any provider that accepts the plan's payment. The private company decides how much it will pay and how much you pay for services.

- ***<u>Medical Savings Account (MSA) Plans</u>*** – These plans combine a high deductible health plan with a medical savings account that you can use to manage your health care costs.

EXTRA HELP FOR PEOPLE WITH LIMITED INCOME AND RESOURCES

If you have limited income and resources, you may be able to get help paying for some of your health care and prescription drug costs. Listed below are some ways you can get help:

Help with Prescription Drug costs: If you have limited income and resources, you might qualify for extra help paying for your drug plan's monthly premium, yearly deductible and prescription copayments. This Low Income Subsidy (LIS) program is offered through Social Security.

Medicaid: This is a joint federal and state program that helps pay medical costs for some people with limited income and resources.

Medicare Savings Program: Alabama has a program that pays Medicare premiums for people with limited income, and in some cases, may also pay Medicare deductibles and coinsurance.

WHERE TO GET MORE INFORMATION ON MEDICARE AND EXTRA HELP

Contact your local State Health Insurance Assistance (SHIP) program in Alabama by calling 1-800-AGE-LINE or your local Area Agency on Aging. Trained SHIP volunteers can help you review your options and help you enroll or apply for extra help. The service is free and confidential.

HOW DO I ENROLL IN ORIGINAL MEDICARE?

If you are eligible for Social Security retirement benefits, three months before reaching your full retirement age you should call Social Security (1-800-772-1213) and apply for Part A (hospital insurance) even if you do not apply for retirement benefits then. Beneficiaries who begin receiving benefits at 62 will automatically be enrolled in Part A at age 65. If you intend to retire, or will keep working but not be covered under a qualified employer health insurance plan, you should also apply for Part B.

You may not need Medicare Part B yet if:

- You are age 65 or older and you or your spouse (of any age) are working AND you are covered by an employer or union group health plan based on that current employment, or
- You are under age 65 and disabled and you or any member of your family are working and you are covered by an employer or union group health plan based on that current employment.

If this applies to you, you can wait to sign up for Medicare Part B. You can sign up without a late-enrollment penalty (higher Part B premium) any time while you are still covered by an employer or union group health plan. You can also sign up without a late-enrollment penalty for up to 8 months after you lose your employer health coverage, or you or your spouse's employment ends, whichever is first. (This is called a Special Enrollment Period.) Most people who sign up for Medicare Part B during a Special Enrollment Period don't pay higher premiums. You may also want to buy a Medigap policy during this period.

If you are still working and plan to keep your employer or union group health plan coverage, you should talk to your employer benefits administrator or your State Health Insurance Assistance Program (SHIP) counselor to help you decide the best time to enroll in Medicare Part B.

If you don't take Medicare Part B when you first become eligible, you may have to wait until the General Enrollment Period to sign up (January 1 – March 31 each year). Your Medicare Part B coverage would start July of that year. The cost of Medicare Part B will go up 10 percent for each full 12-month period you could have had Medicare Part B but didn't take it, except in special cases. You will have to pay this late-enrollment penalty as long as you have Medicare Part B.

If you have TRICARE, you must have Medicare Part B to keep TRICARE coverage. However, if you are an active-duty service member or the spouse or dependent child of an active-duty service member, you may not have to get Medicare Part B right away. You can get Medicare Part B during a special enrollment period.

For more information about signing up for Medicare Part B, call Social Security at 1-800-772-1213 (TTY 1-800-325-0778) or visit www.ssa.gov.

REMEMBER:
Contact your local State Health Insurance Assistance (SHIP) program in Alabama by calling
1-800-AGE-LINE
or your local Area Agency on Aging. Trained volunteers can help you review your options and help you enroll or apply for extra help. The service is free and confidential.

CHAPTER 4:
LONG TERM CARE

Nursing homes provide care to people who can't be cared for at home or in the community. If you think that Medicare will have your costs covered should you need a nursing home stay, think again. If you have Medicare and are hospitalized for at least three days (not counting the day of discharge) and certified as needing skilled care, Medicare will pay all costs for up to 20 days in a skilled care facility. If you continue to be certified as needing skilled care, Medicare will pay part of the costs for up to another 80 days, but you will be responsible for a daily co-payment. This co-pay is covered by some Medigap (Medicare Supplement) policies.

Medicare will pay for a limited amount of home health care under certain conditions, but even the maximum available reimbursement is not enough to cover twenty-four hour care.

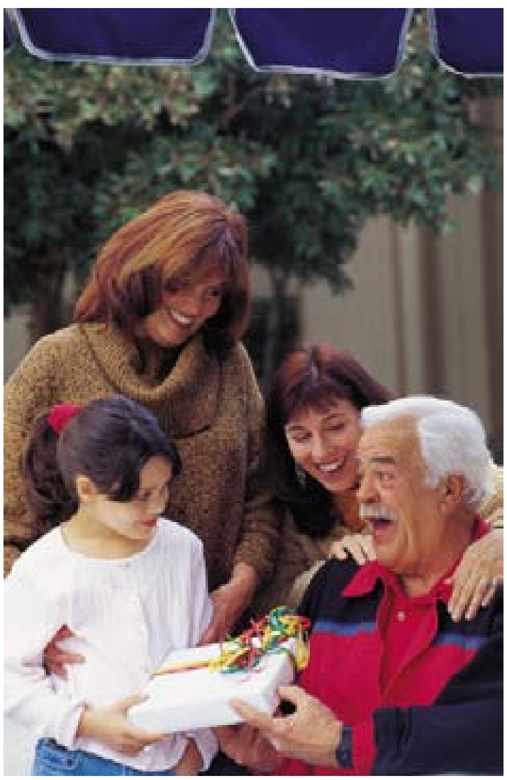
SELECTING A NURSING HOME

Before selecting a nursing home for you or a loved one, it's important to understand the distinction between the types of nursing home care. A nursing home generally provides several levels of care—skilled nursing care, intermediate care and custodial care. Skilled nursing care is when you need skilled nursing or rehabilitation staff to manage, observe and evaluate your care. An example of skilled nursing care is when you need intravenous injections or physical therapy. A skilled nursing facility can be part of a nursing home or hospital. At the other end of the scale is custodial care. Custodial care is non-skilled personal care which helps with activities of daily living such as bathing, dressing, eating, getting in and out of a bed or chair, moving around and using the bathroom. In most cases, Medicare does not pay for custodial care.

Nursing homes provide a wide range of personal care and health services. For most people, this care is generally to assist with support services such as dressing and bathing or assisting those with physical, emotional or mental problems.

When selecting a nursing home, you must consider your medical and physical needs. Your family, friends and health care providers can help you decide what kind of care you need. You must also consider the costs of each nursing home and your financial resources including Long Term Care Insurance, Medicare and Medicaid, to be sure you find a nursing home you can afford. Additionally, you should try to find a nursing home located convenient to your friends and family because their visits will be important to you.

It is important that you find the nursing home that best suits your needs. When inquiring about a specific nursing home, be sure to ask the right questions. Here are some important things to consider and questions to ask when you are visiting different nursing homes:



Licensure. Is the nursing home and administrator licensed and is the license in danger of being revoked, suspended, or not renewed?

Nursing/Physician Services. What level of care is provided and is there a staff physician who makes emergency calls?

Activities. Does the nursing home have a variety of scheduled activities that may be of interest to you?

Staffing. Is there enough staff available to assist residents and do they respond in a timely manner to a resident's call for help?

Cleanliness. Is the nursing home clean and pleasant and do the residents appear to be clean and well groomed?

Cost. What is the cost of care in the nursing home? What services are included in this price and what additional costs will have to be paid?

Dietary service. Does the nursing home serve attractive, nutritious meals that are planned by a Registered Dietician? Are special diets available?

Safety. Is there an adequate fire safety system that includes smoke and heat detectors as well as sprinklers or approved fire resistant construction?

Privacy and Respect. Are the residents treated with respect and dignity and do they have as much privacy as possible? Are the residents treated as adults and not children?

Policies. What policies does the nursing home have about visiting hours, gifts of food, etc.?

PATIENT RIGHTS

Residents of nursing homes have many rights under state and federal law. Under federal guidelines, each nursing facility must develop and implement written policies and procedures prohibiting mistreatment, neglect, or abuse of residents. Each facility must also ensure that all alleged violations of these policies are reported immediately to the facility administrator or other officials and must demonstrate that all alleged policy violations are thoroughly investigated.

A resident in a nursing facility is entitled to receive verbal and written notice of the rights and services to which he or she is entitled. This notice must be given prior to or upon admission, and periodically throughout the resident's stay, in a language the resident understands.

A nursing home resident is entitled to the following:

1. The right to see family members, ombudsmen, or other resident advocates, physicians, service providers and representatives of the state and federal government.

2. The right to keep and use personal possessions and clothing unless doing so would endanger health and safety.

3. The right to apply for and receive Medicare and Medicaid benefits and cannot be asked to leave a home because they receive such benefits.

4. The right to receive the same treatment as other residents regardless of whether they are private payers or Medicare or Medicaid recipients.

5. The right to keep clinical and personal records confidential.

6. The right to choose their own personal physician.

7. The right to be fully informed about their medical care.

8. The right to obtain lists of services paid by Medicare and Medicaid benefits.

9. The right to participate in the planning of care and treatment and to refuse treatment.

10. The right to be free from mental and physical abuse.

11. The right to not be kept apart from other residents against their will.

12. The right to not be tied down or given drugs to restrain when restraint is not necessary to treat medical symptoms.

13. The right to raise grievances and have them resolved in a timely manner.

14. The right to participate in social, religious and community activities to the extent that they do not interfere with the rights of other residents.

15. The right to choose whether or not personal funds are managed by the nursing home.

16. The right to privacy regarding medical treatment, visits, communications and meetings with family and resident groups.

17. The right to review medical records within 24 hours of making a request.

18. The right to review the most recent state inspection report relating to the nursing home.

19. The right to receive notice before their room or roommate is changed and the right to refuse the transfer if the purpose is to move them from a Medicare bed to a Medicaid bed or vice versa.

20. The right to stay in the nursing home unless removal is necessary for the resident's welfare, the resident no longer requires services, the failure to pay after reasonable notice, to prevent harm to others or the facility ceases to operate.

21. The right to thirty days notice of a proposed transfer or discharge with the right to appeal.

22. The right to be informed by the nursing home of the length of time that a resident's bed will be held open for their return in the event they are transferred for hospitalization or therapy, and the right to be readmitted as soon as the first

semi-private bed becomes available if returned after the expiration of the bedhold period.

LONG TERM CARE OMBUDSMAN

The Alabama Department of Senior Services administers a Long Term Care Ombudsman program that provides services to protect individuals residing in nursing facilities, assisted living facilities, specialty care facilities and boarding homes. Ombudsmen are advocates for residents, or their friends and families, who work to protect the health, safety, welfare and rights of Alabama's senior citizens. The Ombudsman's job is to protect the rights of residents and ensure they receive fair treatment and quality care. Call 1-800-AGELINE to reach your local Ombudsman.

LONG TERM CARE INSURANCE

Long term care insurance is commercial insurance. Like other private insurance the terms and costs vary among different companies. Long term care insurance usually pays a fixed amount per day for qualifying care. The periods of coverage may range from two years to life. There are many variables that affect the cost of premiums: length of the deductible period, period of coverage, amount of daily benefit, whether there is an automatic inflation factor built in, what kinds of care are covered, and others. It pays to shop around and seek the features you want.

Do you need long term care insurance?

There are several considerations you should keep in mind when you are considering purchasing long term care insurance. Women are more likely to need nursing home care than men and they are less likely to have the incomes and resources to pay for it. Married men are likely to be cared for by spouses, while women on average live longer—into ages at which disabling illnesses are common.

Resources are also a consideration. If you are single with less than $50,000 in resources plus a home, or married with combined assets of less than $75,000 plus a home, the cost of long term care insurance may not be justified by the amount of resources to be protected.

Your family and personal health history is also a consideration. Your risk of needing long term care is a mix of heredity, the way you care for yourself, and fate. Someone with several close family members with Alzheimer's may be likelier to need long term care than one whose history suggests a likelihood of dying of a heart attack at 75.

Long term care insurance policies are expensive, especially the older you are when you purchase the policy, so you do not want to purchase one without being reasonably confident that you can pay the premiums even if they increase. Premiums are much cheaper if a policy is purchased at an earlier age, but that is no guarantee that premiums will not increase in the future.

What are some of the features of long term care policies?

1. **Benefit rate.** The choice of benefit level will be a major factor in cost. A good rule of thumb is to select a daily benefit at least as high as the current usual cost of nursing home care in your area. You will have some income to offset costs, but there will also be costs of care in addition to what is included in the basic rate.

2. **Term of Coverage.** The average stay at a nursing home is approximately two years. Very few will experience stays of five years of more. Alabama Medicaid allows those with long term care coverage for at least three years to shield resources in an amount equal to that paid for care by insurance and still qualify for public assistance. Seeking a policy that provides lifetime coverage may be expensive.

3. **Type of care covered and at what rate.** You may also want a policy that will cover assisted living as well as nursing home care.

4. **Pool of money option.** This is a situation where you choose the benefit rate, type and length of coverage. You can use the maximum that the policy would pay for any care you choose, but the amount you use for one type of care is deducted from the pool left for other types.

5. **When coverage begins.** All long term care insurance has a deductible or elimination period; that is the initial waiting period for coverage to start. This can be as little as 20 days or as much as 100 days. The shorter the waiting period the higher the premium.

6. **What triggers benefits?** Generally, coverage begins when you are unable to perform any number of the activities of daily living (ADL). These are eating, walking, transferring from bed to chair, dressing, bathing, toileting and remaining continent. There may be other ways to qualifiy for coverage, however, these are often the most common.

   The longer the list of activities included as "ADLs" and the fewer you must fail, the easier it is to qualify for coverage. Keep in mind that it is important how "inability to perform" is measured as well. The more requirements, the harder it will be to qualify for the benefits.

Long-term care insurance coverage can vary widely. Some policies may cover nursing home care only while others may include coverage for a whole range of services such as adult day care, assisted living, medical equipment, and formal and informal home care. Long-term care insurance premiums vary depending on age, health status at the time of purchase, and the amount of coverage you want. Because the cost of care, especially in nursing homes and assisted living facilities, varies from state to state, you should make sure that the long-term care policy you purchase will cover the costs of care where you plan to use it.

Most, but not all, long-term care policies offer certain tax benefits. These policies are called Tax-Qualified policies. Benefits you receive from a qualified long-term care policy are generally not taxable as income. Benefits received from a policy that is not a qualified long-term care policy may be taxable income.

Decide if you need long-term care insurance coverage. It is best to buy long-term care insurance at a younger age when premiums are lower. In this instance, periodic reviews are advised to make sure your policy covers your current and future long-term care needs. However, you can buy long term care insurance at any age.

Never be rushed into purchasing a long-term care policy. Ask a friend or relative to be present during the sales interview if you are unsure or don't understand the policy benefits and coverage. Compare outlines of coverage with several companies and agents. Don't buy more policies than you need. One good long-term care policy will normally meet your needs. Don't switch or replace your policy unless the new policy is better than the one you already have. Switching policies can effect pre-existing condition exclusions, refund of premium, policy maximum benefits or other factors affecting your coverage.

You may contact the Alabama Department of Insurance to obtain a listing of companies approved to sell long-term care insurance in the state of Alabama and to report any problems you may have with the company or agent. Also, a SHIP representative can counsel you regarding the various options available to you. Call 1-800-AGELINE to contact your local SHIP program.

MEDICAID: PAYOR OF LAST RESORT

Medicaid is a program that provides medical assistance for certain individuals and families with low income and resources. This program is the largest program providing medical and health-related services to Alabama's low income population. Medicaid also pays for nursing home care only after other resources are exhausted. There are strict asset limits to qualify, and in Alabama there is also an income cap, although there is a way to qualify despite income over the cap.

In addition to providing assistance to low income Alabamians and for those who meet the criteria for nursing home care, the Alabama Medicaid Agency has a number of programs for the elderly and disabled. Medicaid for **home and community based waivers** are for people who are elderly, disabled, homebound, mentally retarded, or have certain diagnoses and who live in the community and **SSI related Medicaid programs** are for people who no longer receive SSI payments but have their Medicaid benefits protected under certain laws. To be eligible for these programs, you must live in Alabama, be a U.S. citizen, meet certain medical criteria, have monthly income and resources below a certain limit.

The income limit changes each year. If you are applying for Medicaid in a nursing home and have excess income beyond the resource limit, you may establish a Qualifying Income Trust (QIT). The establishment of this trust enables Medicaid to disregard the excess income in that month for the purpose of determining eligibility.

If a couple is legally married and one spouse is a patient in a medical institution and the other spouse remains in the community, special rules apply for institutional care. Some or all of the assets of the couple may be protected for the spouse remaining in the community as well as some income of the institutionalized spouse may be allocated to the community spouse. Medicaid will do an assessment of the combined assets/resources of a couple when one spouse enters an institution and the other remains in the community. A spend down of assets may be necessary if the combined assets are more than Medicaid's allowable amount. This means some of the assets must be spent on the institutionalized spouse before he or she will be eligible for Medicaid. Medicaid will determine the amount of assets to be spent down.

CHAPTER 5:
SOCIAL SECURITY AND OTHER INCOME ASSISTANCE

The Social Security System provides financial assistance and health care for the elderly, disabled, survivors of deceased workers, and individuals with low incomes. Social Security taxes (referred to as FICA on some paychecks) finance all Social Security benefits including retirement, disability, survivors and Medicare.

The length of time you have been working and paying Social Security taxes determines eligibility. While you are working, you are earning credits. Most people will earn many more “credits” than they will need to qualify for Social Security benefits.

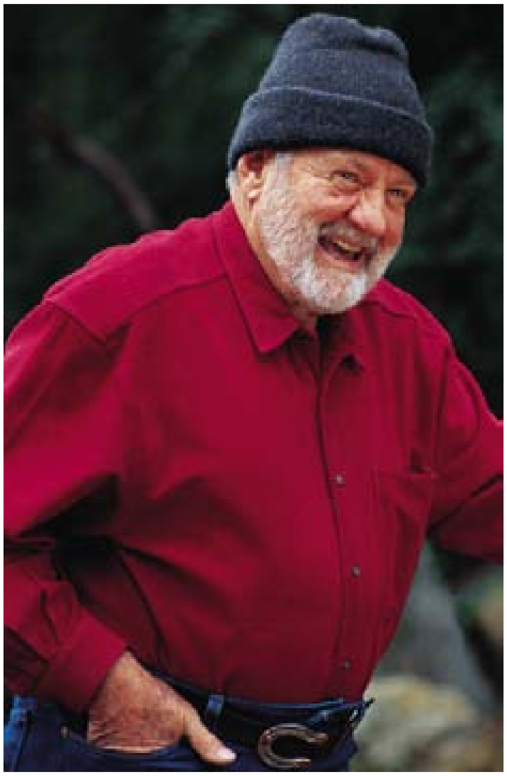
You must meet the following requirements to qualify for retirement benefits:

- You must apply – enrollment is not automatic.
- You must have earned at least forty credits.
- You must be at least 62 years old.

Your benefit amount will depend on your average earnings over the period of time worked, and the age you elect to start receiving benefits. For example, if you start your retirement benefits at age 62 (often referred to as “early retirement”) your benefits will be lower than if you waited until a later age. Keep in mind, full retirement age is 65 for individuals born in 1937 or before and gradually increases to age 67 for those born in 1960 or later.

Each year you receive a Social Security statement providing you an estimate of your retirement benefits at age 62, full retirement age, or age 70. You can also request a statement by calling the toll-free Social Security number (1-800-772-1213) or visiting their website www.ssa.gov.

If you do not retire at full retirement age, each additional year you work adds another year of earnings to your record. Higher lifetime earnings may result in higher benefits



when you retire. If you choose to delay receiving retirement benefits, your benefit will be increased by a certain percentage. The percentage varies based on your year of birth and the increases will be added automatically from your full retirement age until you start taking your benefits, or you reach age 70.

Disability Benefits:

For disabled workers the number of quarters of coverage required for benefit entitlement may be different. Depending on your age, you may need fewer quarters of coverage to collect benefits, but you must have earned a minimum number of credits, some of which were earned in years just prior to disability. Workers found to be qualified for SSD, or Social Security Disability, may collect benefits for themselves and for their families.

You must be unable to work due to a physical or mental impairment in order to qualify for disability benefits. The impairment must be one that is expected to result in death or is expected to keep you from doing “substantial” work for at least 12 months. Benefits are not payable to anyone unable to work only because of substance addiction.

You must meet the following criteria to receive disability benefits:

- You must apply for benefits.
- You must have worked and earned enough credits.
- You must have been disabled for at least five consecutive months.

If you apply and are denied benefits, consider filing an appeal within the timeframes specified in your notice. Contact an attorney for assistance.

Working after Retirement or Disability:

If you decide to go back to work either full-time or part-time after you retire, you can do so after reaching full retirement age without any reduction in your monthly benefit regardless of how much you earn. If you return to work before reaching full retirement age, your benefits may be reduced if your earnings are over the annual limit, up until the time you reach full retirement age.

If you receive disability benefits and decide to return to work, you may do so for up to nine months "trial period" without having your benefits stopped or reduced. After the nine months, if you continue to work, Social Security will review your earnings and if they are considered to be "substantial," you may no longer qualify as disabled and your benefits can be stopped or reduced.

Supplemental Security Income (SSI):

The SSI Program provides monthly income to the elderly, the blind and the disabled. Even if you have never worked or do not qualify for Social Security, you can still receive SSI. You can receive SSI and Social Security benefits if you qualify for both.

Eligibility depends on whether you are elderly, blind or disabled. If you are 65 or older, you are considered elderly for SSI eligibility purposes. There are complex rules to determine eligibility for "blind" or "disabled." Eligibility also depends on your assets, monthly income and where you live.

VETERAN'S AFFAIRS

The U.S. Department of Veterans Affairs (VA) administers benefits programs for veterans of the U.S. Armed Forces and their families. Eligibility for many VA benefits is determined by when you served and length of time served. Even if you were dishonorably discharged, you may be entitled to certain benefits.

Disability Compensation:

You may get disability compensation from the VA if your disability was the result of an injury or illness which began, or worsened, during the time of service. Monthly compensation payments are made according to a VA disability rating schedule. Payments may be made to dependents of eligible veterans.

Veterans Pensions:

If you are permanently and totally disabled and your disability has nothing to do with former service, a monthly pension may be available in certain circumstances. Veterans age 65 and older are considered totally disabled for purposes of VA pension eligibility. Payments are also available to survivors of eligible veterans.

In order to receive pension benefits, you must have completed 90 days of service, part of which occurred during a wartime period as defined by law. If you were discharged due to a service-connected disability with less than 90 days service, you are also eligible.

Medical Care:

VA medical care is available to all eligible veterans. VA Medical Centers provide a full range of hospital and outpatient care, including limited home health care. First priority is given to veterans with a service-related disability. VA medical treatment charges are generally based on your ability to pay. Some veterans are treated free of charge while others with high income may have charges submitted to their private insurance company.

Other Benefits:

Eligibility requirements vary for other VA benefits. These benefits include, but are not limited to, the following:

- Reimbursement for burial expenses
- Life insurance
- Grants for adaptation of a home to accommodate a veteran's physical handicap
- Grants for purchase of an automobile or other automobile adaptive equipment for veteran's with certain losses or permanent disabilities
- Interment in national cemeteries
- Annual clothing allowance if you use certain prosthetic or orthopedic devices that wear or tear clothing
- Educational assistance
- Vocational training and rehabilitation
- Loan guaranty benefits
- Civil service preference certificates
- Exchange and commissary privileges
- Monthly allowances for educational expenses of a widow/widower

State Veterans Benefits:

The State of Alabama offers benefits to veterans and their dependents. These benefits include, but are not limited to, the following:

- Certain ad valorem tax exceptions
- Distinctive/commemorative vehicle tag program
- Armed Forces voter registration and absentee voting
- Education benefits
- Business and Occupation License Exemptions
- Preference in State Classified Employment

OTHER INCOME ASSISTANCE

Home equity conversion

Many seniors are discovering that their home may be an enormous asset when seeking additional income. Two of the most common ways to pull resources out of your home are home equity loans or lines of credit and reverse mortgages.

Home equity loans or lines of credit are loans made on the amount of equity you own in your home. The lender expects to be paid out of your income and you must have enough regular income to make the monthly payments the loan requires. If you miss a payment, the lender can seek foreclosure on the home, just like a mortgage lender.

A reverse mortgage is a bit different than home equity loans. It has three main characteristics. A reverse mortgage is a loan that provides you, the borrower, with cash advances and requires no repayments while you, the borrower, are alive or remain in the house. Several important factors are taken into account when determining the amount of a loan advance for a reverse mortgage:

- Your age and the age of any other borrowers (such as your spouse)—the older the person, the higher the loan amount can be.
- Value of the home (you keep the title to your home)

With a reverse mortgage monthly repayments are not required and you are not required to have a certain level of income to qualify. Repayment of any kind is generally not required as long as you live in the house. Upon your death, permanent move or sale of the home, you or your estate must repay all the loan advances you received, plus interest.

A reverse mortgage is not something to enter into lightly. You must make an informed decision and shop around to find the reverse mortgage that suits your needs. There are plenty of options available. Additionally, you should consider how long you plan to be in your home. If, for example, you plan on moving or selling your home within a few years, a home equity loan may be a better option for you. Consult your tax advisor or attorney for more information.

Annuities

An annuity is a contract between you and an insurance company in which you make an upfront lump-sum payment or a series of payments to the insurance company. In return, the insurance company guarantees a lump sum payment or series of payments for a period of time.

There are two general types of annuities:

1. Immediate annuity. This type of annuity is where you make an upfront lump-sum payment to the insurance company and are assured an instant stream of payments from the insurance company over a period or as long as you are alive.

2. Deferred annuity: This annuity is a contract which first grows tax deferred (called the accumulation phase) until the contract matures (annuitizes) and eventually is distributed in a series of payments or in a lump-sum (called the annuitization phase).

Annuities can have a lasting impact. There may be particularly high surrender charges if you need to access the funds you place in annuity. Be careful if a reverse mortgage is coupled with an annuity. Before you make any decision regarding reverse mortgages and/or annuities, consult with your tax advisor and attorney.

Food Stamps

The Food Assistance Division of the Alabama Department of Human Resources administers the Food Stamp Program in Alabama. The program provides monthly benefits to eligible low income households to help them buy food in order to improve nutrition and good health. The eligibility rules and benefit amounts are based on income and resources available as well as household size. Applications for the Food Stamp Program are available in all county Department of Human Resources offices and must be filed in the county where you live. You may fax, mail or bring the signed application to your county DHR office for processing. You will be interviewed and asked to provide certain information for verification.

Certain deductions may be subtracted from your income. These deductions include a standard deduction based on household size, a earned income deduction which is 20% of the gross earned income, a medical deduction for elderly and/or disabled individuals, a dependent care deduction for costs incurred for the care of a child or other dependent, a child support deduction for legally obligated child support paid by a household member, and a shelter costs deduction for rent, mortgage, property taxes, insurance and utilities.

Help with Utilities

Most utility companies offer level payments, and help with high bills in extreme weather for some seniors. Call the utility or company for more information, or check with the local Area Agency on Aging.

CONTACT YOUR LOCAL AREA AGENCY ON AGING

For more information on programs and services you may qualify for, contact your local Area Agency on Aging at 1-800-AGE-LINE or on the web at www.alabamaageline.gov.

TAX BREAKS

One reason for the low cost of living in Alabama is the tax system. Alabama's property tax is the one of the lowest in the nation. For this reason, Alabama is quickly becoming known as a favorable retirement destination.

Income tax

Alabama exempts certain retirement pension income from tax. On a national scope these include defined benefit plans (as defined under section 414(j) of the Internal Revenue Code), military retirement pay, United States Civil Service Retirement System benefits, U.S. Government Retirement Fund benefits, Federal railroad retirement benefits, Federal social security benefits, disability retirement payments (and other benefits) paid by the Veteran's Administration, United States Foreign Service Retirement and Disability Fund annuities and Tennessee Valley Authority Pension Systems. Your employer or retirement administrator can tell you if you are participating in a "defined benefit plan."

Property Tax

Alabama's property appraisal is based on a fair and reasonable market value. Property tax applies to both real and personal property. Real property applies to land and all things attached to it. Personal property includes such property as automobiles, motor homes and all property other than real property that is used for business purposes. Cities and counties may also impose a property tax. Property taxes are assessed at the local level by the county tax assessor and are collected at the local level usually by the county tax collector.

Homeowners are entitled to a homestead exemption. This applies to the homeowner's principal residence and any property surrounding it up to 160 acres. The various homestead exemptions are outlined below:

- Homeowners who are less than 65 years old are entitled to a maximum $4,000 (in assessed value) homestead exemption. County exemptions vary from $2,000 to $4,000 and city or municipality exemptions vary among the different tax jurisdictions within a county but cannot exceed $4,000.

- Homeowners who are more than 65 years old are totally exempt from all state property tax.

- Homeowners over 65 years old who have an annual adjusted gross income of less than $12,000, or those retired due to a disability or blindness are entitled to an exemption up to $5,000 of assessed value for county tax.

- Homeowners who are totally disabled or who are 65 years old with a federally adjusted net taxable income of $7,500 or less (spouses income included) are exempt from all state, county, and city property tax.

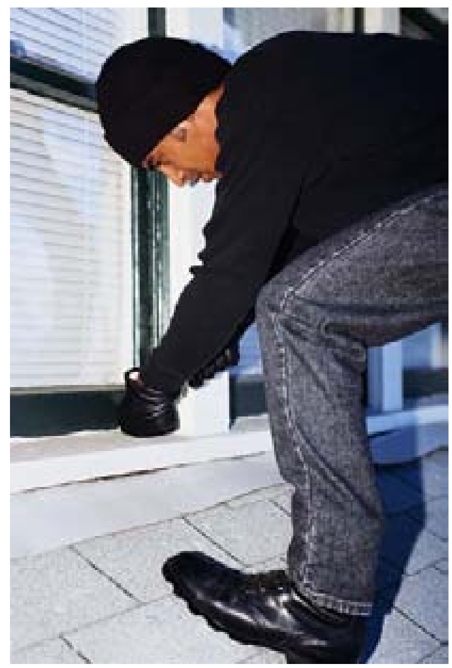
Estate Tax

Alabama does not have an inheritance tax, but does have an estate tax. An estate left behind by a deceased individual is subject to tax in Alabama only if the estate exceeds the federal $2,000,000 value exemption. This amount will increase to $3,000,000 in 2009. In addition to the federal exemption, the first $60,000 of the estate is exempt from Alabama tax. The amount of tax due is equal to the maximum state death tax credit allowed under the federal estate tax laws. The tax is reduced proportionately for real property outside the state. Copies of federal estate tax returns are required to be filed with the Alabama Department of Revenue, Income Tax Division on or before nine months following the death of the individual.

CHAPTER 6:
PROTECTING YOURSELF

Someone breaks into your home while you are sleeping. Or maybe they steal your purse or wallet while you are shopping. While no place is 100 percent safe, there are some things you can do to help lessen the threat of becoming a victim of a crime:

- Organize or participate in a Community Watch program.
- Write down the license numbers and description of any unusual cars, trucks and vans that you have seen in your neighborhood.
- Keep a record of all serial numbers of your appliances, motor vehicles, televisions, etc.
- Engrave or mark your possessions for easy identification.
- Photograph your jewelry, silver, antiques and art objects.
- Never leave a key under a doormat or other common hiding place.
- Install deadbolt locks.
- Keep garage doors closed and locked.
- Make your home look and sound occupied when you are away.



- Make sure you have adequate lighting outside your home.
- Keep a dog.
- Do not put your name on your mailbox.
- Cancel newspaper and mail deliveries when you are away.
- Try not to be alone on the street, especially at night.
- Do not carry large sums of money.
- Carry a whistle to call for help.
- Avoid deserted areas.
- Always lock your car doors.

SOLICITATION

The National Do Not Call Registry prevents most telemarketers from contacting you. The Do-Not-Call registry will not prevent all unwanted calls such as calls for which you have given prior written consent, calls by or on behalf of tax-exempt non-profit organizations, calls which are not commercial or do not include unsolicited advertisements, and calls from organizations with which you have established a business relationship.

You may contact the registry to delete your phone number by calling 1-888-382-1222 from the telephone number you want to delete or by going to www.donotcall.gov. Keep in mind that telemarketers will have access to your information for up to 31 days after your call to be placed on the list. Your registration will be effective for five years.

Additionally, you may remove yourself from junk mail lists by contacting the Direct Marketing Association. It can take up to three months to see a reduction in the mail you receive. You can register by mail by sending a postcard or letter that includes your name, address and signature to:

Mail Preference Service
Direct Marketing Association
P.O. Box 643
Carmel, NY 10512

IDENTITY THEFT

Identity theft is when someone uses your personal information, without your permission, to commit fraud or other crimes. You may find that you are the victim of identity theft when you are denied credit or contacted by collectors because of debts you know nothing about.

The Federal Trade Commission estimates that as many as nine million Americans have their identities stolen each year. Once you are a victim, it can take a long time and a lot of money to repair the damage done to your good name and credit record.

How do thieves steal an identity?

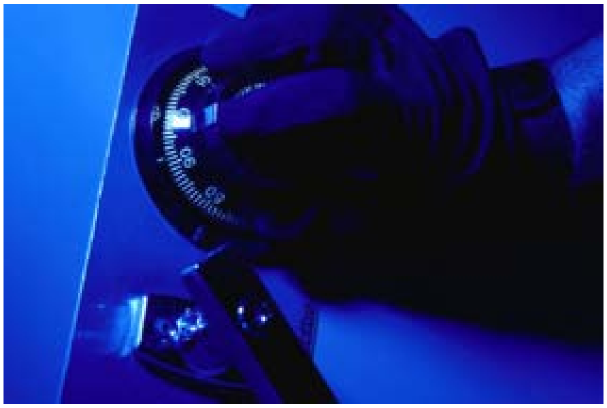
- They rummage through trash looking for bills or other paper with your personal identification on it.
- They steal credit/debit card numbers by using a special storage device when processing your card.
- They pretend to be financial institutions or companies and send spam or pop-up messages to get you to reveal your personal information.
- They divert your billing statements to another location by completing a change of address form.
- They steal wallets and purses, mail, pre-approved credit offers, new checks and tax information.
- They use false pretenses to obtain your personal information from financial institutions, telephone companies and other sources.

What do thieves do with stolen identity?

They may open new credit card accounts in your name. They may even change the billing address on your credit card so you no longer receive bills. This gives them time to run up charges on your account before you ever realize there is a problem.

Thieves may run up charges on your wireless telephone account or open a new account. They may use your name to get utility services like electricity, heating or cable TV.

They may create counterfeit checks using your name or account number or they may open a bank account in your name and write bad checks.



They may use your name and social security number to get government benefits or file a fraudulent tax return using your information. Once they have your Social Security number, they can do many, many things. For example, they can get a job using your Social Security number, rent a house or get medical services using your name.

How do you watch for identity theft?

Monitor your accounts and bank statements monthly, and check your credit card report on a regular basis. By doing so, you may be able to limit the damage caused by identity theft. Unfortunately, many people learn their identity has been stolen after some damage has already been done. Bill collectors may contact you regarding overdue debt you never incurred, you may apply for a mortgage or other loan only to find out that problems with your credit history are holding up the loan, you may get something in the mail about an apartment you never rented, a house you never bought, or a job you never held.

<u>What do you do if your identity is stolen?</u>

File a police report immediately. This Identity Theft Report entitles you to certain legal rights when it is provided to the three major credit reporting agencies or to companies where your information was misused. It can be used to permanently block fraudulent information that results from identity theft from appearing on your credit report as well as prevent a company from continuing to collect debts that result from identity theft. The report is also needed to place an extended fraud alert on your credit report.

In addition, you should also:

- Check your credit reports
- Notify all your creditors
- Dispute any unauthorized transactions on any of your accounts

<u>How long can the effects of Identity Theft last?</u>

It depends on many factors including the type of theft, whether or not the thief sold or passed on your information, whether the thief is caught and problems related to correcting your credit report. If you are a victim of identity theft, you should continue to monitor your financial records for several months. Additionally, you should review your credit reports regularly and stay alert for other signs of identity theft.

ABUSE AND NEGLECT

As the number of individuals 65 and over has increased, unfortunately, so has the incidence of elder abuse. The elderly are sometimes more vulnerable to abuse because they live independently, are more isolated, are usually more trusting of strangers and may have a mental impairment such as dementia or Alzheimer’s disease.

The most common forms of abuse are:

- Neglect – this is when a caregiver fails to meet the physical, social and/or emotional needs of the person.
- Physical abuse – this consists of an intentional infliction of physical harm such as slapping, beating or restraining.
- Financial abuse – this consists of the misuse and exploitation of an elderly person’s possessions and/or monetary assets.

- Psychological abuse – this is the intentional infliction of mental harm or emotional distress upon an elderly person such as insults, verbal assaults and threats.
- Sexual abuse – this is any sexual activity for which the elderly person does not consent or is incapable of giving consent.
- Self neglect – this is when the elderly person fails to meet his or her own physical, emotional and social needs.

<u>What do you look for?</u>

Neglect:

- Evidence that personal care is lacking.
- Signs of malnourishment (sunken eyes, loss of weight).
- Chronic health problems both physical and psychiatric.
- Dehydration.
- Pressure sores (bed sores).

Physical abuse:

- Signs of physical trauma (scratches, bruises, cuts, burns, punctures).
- Signs of restraint trauma (rope burns, gag marks, welts).
- Injury (sprains, fractures, dislocation, paralysis).
- Additional physical indicators (hypothermia, pain upon being touched).
- Repeated "unexplained" injuries.
- Inconsistent explanations of injuries.
- A history of visits to the emergency room.

Financial abuse:

- Unusual banking activity (large withdrawals, switching of accounts, ATM activity).
- Bank statements/credit card statements no longer come to the person.
- Documents are being drawn up for the elderly person to sign without his/her knowledge or understanding of the papers.
- Unpaid bills.
- Personal belongings are missing.
- Isolation of the elderly person by the caregiver.
- The elderly person deeds all property and/or assigns all assets to the caregiver in exchange for promises of lifelong care.
- Signatures on checks and other documents that do not match the signature of the elderly person.

Psychological abuse:

- Anxiety.
- Depression, hopelessness, helplessness, thoughts of suicide.
- Confusion, disorientation.
- Lack of eye contact.
- Agitation.
- Trembling, clinging.

Sexual abuse:

- Indicators common to psychological abuse.
- Venereal disease.
- Trauma to the genital area (bruises).
- Infections or unusual discharge or smell.

Self neglect:

- Hoarding.
- Dehydration.
- Poor hygiene.
- Failure to take essential medications.
- Confusion.

If you suspect abuse or neglect of an elderly person and feel that person is in immediate danger, you should contact the police or call 911. To report abuse or neglect you should contact the Alabama Department of Human Resources, Adult Protective Services Division, at (334) 242-1350 or the Adult Abuse Hotline at (800) 458-7214.

NURSING HOME ABUSE

Unfortunately, elder abuse and neglect also occurs in nursing homes. Some of the commonly observed signs of these forms of abuse include:

- Unexplained injuries
- Unreasonable physical restraint
- Prolonged or continual deprivation of food or water
- Giving too much medication or not giving needed medication
- Isolation
- Use of a physical restraint or medication for any purpose not consistent with that authorized by the physician
- Disregard for the necessities of daily living
- Lack of care for existing medical problems
- Unsanitary and unclean conditions
- Infections

- Failure to assist in personal hygiene

Visit the nursing home at different times of day and night so you can assess the care provided during the day, night, weekends and holidays. If you have concerns, talk to the nursing home staff. Call the long term care ombudsman. The ombudsman is an advocate for the resident and can intervene on their behalf to resolve matters of concern. Your local ombudsman can be reached by calling 1-800-AGELINE.

AGE DISCRIMINATION IN EMPLOYMENT

The Age Discrimination in Employment Act of 1967 (ADEA) protects individuals who are 40 years of age or older from employment discrimination based on age. Under the ADEA, it is unlawful to discriminate against a person because of his/her age with respect to any term, condition, or privilege of employment, including, but not limited to, hiring, firing, promotion, layoff, compensation, benefits, job assignments and training.

It is also unlawful to retaliate against an individual for opposing employment practices that discriminate based on age or for filing an age discrimination charge, testifying, or participating in any way in an investigation, proceeding, or litigation under the ADEA.

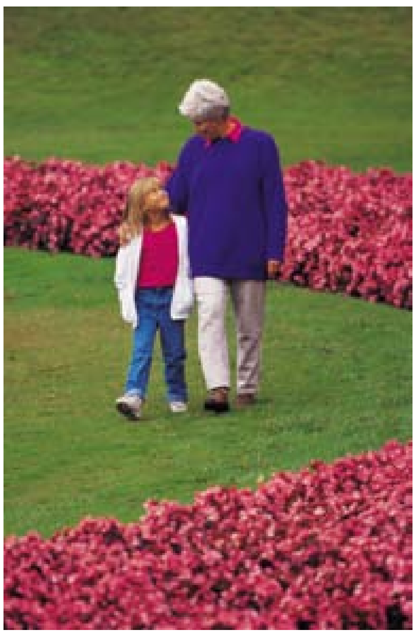
The ADEA applies to employers with 20 or more employees. This includes local and state governments and the federal government.

If you feel you have been discriminated against on the job, first you should talk to your employer to see if the matter can be resolved. If not, you have the right to file a charge with the Equal Employment Opportunity Commission (EEOC). There are strict time periods for filing a charge. If you need more information, consult your attorney or visit www.eeoc.gov.

CHAPTER 7:
HOUSING

If you find that you need to rent a house or apartment, it is important to shop around thoroughly. First, you must decide what type of house or apartment you want and how much you can afford to pay. You should inspect the property and point out any problem areas or damages you see. You should not be afraid to ask other tenants questions about the property. Their experiences with the landlord and the housing can be very beneficial to you in making your decision. Some things you should inquire about are as follows:

- Heating and cooling systems
- Security
- Parking
- Utilities



- Pets
- Quality of construction
- Availability of public transportation
- Facilities for handicapped

Discrimination:

Under Federal law, it is illegal for a landlord to discriminate on the basis of race, color, national origin, religion, sex, familial status and handicap/disability. You have the right to make reasonable modifications to your unit, at your own expense, if you have a physical or mental disability. The landlord must make reasonable changes to the rules, policies, and practices to allow a disabled person to use the housing. Any buildings built after 1991 are required to have accommodations for persons with disabilities.

Understanding Your Lease:

You should get a written lease. Read it carefully and ask questions. The obligations of both you and the landlord should be clearly defined in the lease. Have the landlord read through the lease with you and answer any questions you may have.

You should understand the lease thoroughly before you sign it. Once you have signed the lease, you are saying that you have read it and understand and agree to its contents.

Security Deposits:

You will probably be required to pay a security deposit if you are renting. The purpose of this deposit is to guarantee that you will take care of the rented property while you are there. When you move out, the deposit must be refunded to you within 30 days as long as you have kept your part of the agreement. The landlord may keep your deposit if you owe any rent, have damaged the property, leave before your lease expires, or have any bills due that someone else may hold the landlord responsible for.

The Landlord's Duties:

- Comply with local building and housing code laws
- Make repairs
- Keep common areas safe
- Keep all electrical, plumbing, heating/air conditioning and appliances in good, safe working order
- Provide smoke detectors
- Notify you if the property is sold
- Notify you in writing of any complaints about the way you are treating the property
- Allow you to live as though you own the property

You should tell your landlord immediately if he/she fails to meet obligations. Make your complaints in writing.

The Tenant's Duties:

- Keep the property clean and safe
- Dispose of all garbage and other waste in a clean, safe manner
- Keep all plumbing fixtures clean
- Do not deliberately damage or remove any part of the property
- Comply with all obligations of local building and housing codes

You are responsible for paying your rent on time and fulfilling your obligations as a tenant.

Housing Assistance:

Housing assistance may be available through the Department of Housing and Urban Development of the United States (HUD). "Section 8" is a program designed to allow low-income individuals to afford decent rental housing in the private market. This program is administered through your local public housing authority. If you are eligible for this program, you will be allowed to contract with a qualified participating landlord for housing. Eligible tenants pay a portion of the fair market rent based on their adjusted gross income. HUD inspects apartments and houses rented under the Section 8 program to ensure they are safe, sanitary and the rent is within acceptable range. Additionally, there is another HUD program, "Section 202" which subsidizes low-income housing for elderly or handicapped individuals only.

CHAPTER 8:
FUNERALS

Thinking ahead can help you make informed and thoughtful decisions about funeral arrangements. It allows you to choose the specific items you want and need, compare prices offered by the various funeral homes, and it spares your survivors from making these decisions under the pressure of time and strong emotions.

Comparison shopping for prices and services is very important. The costs of such items as caskets or "professional services" vary dramatically depending on the funeral home. Compare prices from at least three funeral homes and remember you are entitled by law to be provided with a detailed price list or given prices over the phone. Be sure to ask what is included in "professional services."

You may want to make decisions about your funeral arrangements in advance. You may or may not wish to pay for them in advance. Be very cautious if you do pay for your funeral in advance. Maintain control over your funds and confirm your money is protected to ensure your funeral will be financed when the time comes. Keep in mind that over time, prices may increase or decrease and businesses may close or change ownership. It is a good idea to review and revise, if necessary, your decisions every few years and make sure your family is aware of your wishes. Be sure to put your wishes in writing and give copies to family members, your attorney and keep a copy in a safe place.

PREPAYING

When entering into Preneed Funeral and Burial agreements to prearrange a funeral, you may prepay some or all of the expenses involved. This agreement is generally between you and a representative of the funeral home and is funded through a funeral trust, annuity, or insurance policy. A third party, typically a trustee or insurance company, assumes responsibility for management of the funds. You may lose access to the funds and can regain access only through termination of the agreement. At the time of death, the funds are used by the representative of the funeral home to provide the designated goods and services.

Advantages of prepaying

- Ensures that money is available for your funeral service.
- Provides peace of mind.
- Sets funds aside from other assets if you apply for certain social benefits.

Disadvantages of prepaying

- Regulation of the sale of preneed funeral and burial agreements is more complicated than regulation of the sale of many other types of consumer products.
- State regulations generally address licensure requirements, requirements of funds in trust, contract provisions, cancellation requirements and consumer protection recovery funds. Alabama does not have a law governing the sale of preneed funeral and burial agreements.
- Money paid today may not cover future inflated funeral costs.
- If you are making installment payments and do not complete the payments, you may not receive a full refund due to a sales charge percentage.
- The funeral home you choose may not be in business at the time of your death.
- You may not receive a full refund if you decide to cancel your prepaid funeral.

RESOURCES

AARP
www.aarp.org
201 Monroe St., Ste. 1880
Montgomery, AL 36104
866-542-8167

Alabama Coalition Against Rape
www.acar.org
320 N. Hull St.
Montgomery, AL 36104
334-264-0123

Alabama Department of Human Resources
Adult Protective Services Division
www.dhr.state.al.us
50 N. Ripley St., Ste. 2104
Montgomery, AL 36130
334-242-1350

Alabama Department of Insurance
www.aldoi.org
201 Monroe St., Ste. 1700
Montgomery, AL 36104
334-269-3550

Alabama Department of Public Health
www.adph.org
201 Monroe St.
Montgomery, AL 36104
334-206-5300

Alabama Department of Revenue
www.ador.state.al.us
50 N. Ripley St.
Montgomery, AL 36132
334-242-1170

Alabama Department of Senior Services
www.alabamaageline.gov
770 Washington Ave., Ste. 470
Montgomery, AL 36130
334-242-5743

Alabama Department of Veterans Affairs
www.va.state.al.us
770 Washington Ave., Ste. 530
Montgomery, AL 36130
334-242-5077

Alabama Medicaid Agency
www.medicaid.state.al.us
501 Dexter Ave.
Montgomery, AL 36104
334-242-5000

Area Agencies on Aging
1-800-AGELINE

Attorney General's Office
Victim Assistance
www.ago.state.al.us
11 S. Union St., 3rd Floor
Montgomery, AL 36130
1-800-626-7676

CMS
www.cms.hhs.gov
7500 Security Blvd.
Baltimore, MD 21244-1850
1-877-267-2323

Department of Housing & Urban Development (HUD)
www.hud.gov
Medical Forum Bldg.
950 22nd St. North, Ste. 900
Birmingham, AL 35203
205-731-2617

Equal Employment Opportunity Commission (EEOC)
www.eeoc.gov
1801 L Street, NW
Washington, DC 20507
1-800-669-4000

Elder Abuse Hotline
1-800-458-7214

RESOURCES

Legal Helpline
1-866-456-3959

Medicare
www.medicare.gov
7500 Security Blvd
Baltimore, MD 21244-1850
1-800-MEDICARE

Secretary of State
www.sos.state.al.us
600 Dexter Ave., Rm. S102
Montgomery, AL 36130
334-242-7200
Elections Division
1-800-274-8683

Credit Bureaus

Equifax
P.O. Box 740241
Atlanta, GA 30374-0241
1-800-685-1111

Experion
P.O. Box 9352
Allen, TX 75013
1-800-397-3742

Transunion
P.O. Box 6790
Fullerton, CA 92834-6790
1-800-916-8800