HSH C&D

Newsletter

THE MALL MALISOW FIRM, P.C.

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In This Issue

MEDICAID CHANGES ON THE WAY

The Deficit Reduction Act of 2005 (DRA), signed into law by President Bush on February 8, 2006, makes it harder for elders and persons with disabilities to qualify for Medicaid long-term care services. Although the DRA gives us guidance, Michigan has not yet enacted the new law. We nonetheless caution our clients that the State could retroactively adopt the DRA changes so any planning must now be done very carefully. Here is an outline of changes to be aware of:

1. Most significantly, the DRA changes the "transfers of assets" rules. First, the look-back period for disclosing transfers and computing penalties has been extended from 36 months (3 years) to 60 months (5 years). Second, states will no longer be able to round down the penalty period – resulting in partial month penalties in Michigan.

Effective January 1, 2006, the Department of Human Services (DHS) has set the average monthly nursing home cost at $5,549.00 per month. This number is also used by Medicaid as the divestment penalty divisor. Prior to the DRA a Medicaid applicant was penalized for transfers of assets in a given month, greater than the "divisor." If any such transfer occurred within the 36 months prior to the date of application for Medicaid, DHS computed the penalty period for the transfer. The penalty is expressed as a period of ineligibility (for Medicaid) for a certain number of months. The actual penalty is determined by dividing the amount transferred by the divisor.

For gifts made prior to February 8, 2006, DHS rounds down the result to the next whole number to determine the number of months of ineligibility. For gifts made on or after February 8, 2006, DHS may not round down the result, and a partial month eligibility period may result. Gifts with overlapping periods of ineligibility are aggregated (combined) for the calculation of ineligibility. Keep in mind that the penalty is imposed without regard for the reason for the gift (i.e., a gift to your church, or place of worship to an equity value of $500,000.00).

2. The DRA changes the beginning date for penalty periods for transfers of assets. For transfers made prior to February 8, 2006, the penalty period began on the date of the transfer. Using that method, transfers of relatively small amounts often resulted in the penalty period expiring before the Medicaid applicant ever entered a nursing home. For transfers occurring on or after February 8, 2006, the penalty period begins when the applicant is "otherwise eligible for Medicaid, but for the penalty period." This would normally occur when an applicant is in a nursing home and meets both the income and asset tests, but is ineligible for Medicaid because of the penalty period for the transfer.

For example, if an applicant gifted $60,000 on January 1, 2006, the applicant would be eligible for Medicaid in November 1, 2006 after a 10 month penalty period ($60,000 ÷ $5549 = 10.81, rounded down to 10). If the gift were made on February 10, 2006, the penalty period would be 10.81 months. However, if an application was filed within 5 years of the gift, the 10.81 month penalty would begin in the month of application. If the application was filed on November 1, 2006, the 10.81 month penalty would begin on that date and the applicant would be ineligible for Medicaid until September 25, 2007. In this example, the 10.81 month period of ineligibility would not begin until the applicant is in the nursing home, with no funds remaining to pay for the applicant's care.

3. Today a Medicaid beneficiary can exclude the entire value of their homestead (including the family farm). The DRA limits the homestead, your grandchildren, etc. made four years before you need long term care will be penalized.

The applicant or the nursing home in this example could file for a hardship waiver. It is unknown how many hardship waivers will actually be granted under the new law; very few waivers were granted under the prior law. Applicants and nursing homes are likely to apply for hardship waivers not only for cases like the preceding example, but also for cases in which applicants are unable to provide sufficient documentation for transfers.

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Millions of Americans receive publicly funded personal care services in their homes to help them with daily activities, such as dressing, bathing, and toileting. The heavy reliance on Medicaid to fund services for persons with disabilities and elders has led federal and state governments to attempt to devote increased attention to the quality of care being provided. Yet, the public agencies funding these services often find it difficult to assess and monitor the home care provided in homes by numerous workers and family caregivers. This AARP Public Policy Institute Issue Paper examines the efforts of three states — South Carolina, Washington and Wisconsin — to improve home care quality by using a more person-centered approach.

Source: AARP Public Policy Institute (Feb 2006)
Full story: http://assets.aarp.org/rgcenter/il/2006_07_hcc.pdf

This story is from the March 22, 2006 issue of Response Magazine:

"WASHINGTON- As taxpayers head into the final days before filing their earning statements to the government, the U.S. Internal Revenue Service (IRS) has issued a warning statement about identity thieves setting up online traps to snare thousands of users' sensitive financial information.

Identity thieves, also known in the online community as "phishers," have been sending out thousands of fake E-mail messages claiming to come from the IRS. Security companies Symantec and Websense made the announcement with the IRS this week. These types of fraudulent messages began to appear last year and are much more prevalent during this tax season. The messages claim to come from irs.gov, tax-refunds@irs.gov or admin@irs.gov, and then they send users to an imitation of the official IRS Web site where users unknowingly provide confidential financial information.

In addition to the phishing warning news release, the IRS has posted a warning on its Web site homepage and added phishing to its "Dirty Dozen" major tax scams."

Link to the story:
http://www.responsemagazine.com/responsemag/article/articleDetail.jsp?id=314628

JOINING FORCES TO SERVE YOU BETTER

The Law office of Hafeli Staran Hallahan Christ & Dudek and The Mall Malisow Firm, P.C. are very excited to announce their new "Of Counsel" collaboration between Patricia E. Kefalas Dudek and Sanford J. Mall. Our new relationship expands our abilities to respond to the unique needs of each client. Together, we are now able to provide the services of a large firm yet maintain the personalized attention that each of our clients deserve and has the right to expect.

Through the collaboration of our law firms we now provide the most comprehensive services to individuals and families in our specialized areas of practice, including:

- Wills
- Trusts
- Special Needs Trusts
- Pooled Accounts Trusts
- Probate Disputes
- Trust Administration
- Guardianship
- Conservatorship
- Estate Planning
- Medical Directives
- Living Wills - Patient Advocate Designations
- Powers of Attorney
- Care Planning
- Housing Options
- Nursing Home Care Advocacy
- ElderCare Legal Planning
- Medicare Beneficiary Rights
- Mental Health Advocacy
- Social Security Beneficiary Rights
- SSI and SSDI Benefits
- Disability Advocacy
- Community Support Services
- Medicaid Beneficiary Rights
- Hospital Discharge Advocacy

The demands in our area of legal practice are growing daily. State and Federal laws as well as the related administrative rules and regulations are all under close scrutiny and changes are already occurring. Due to recent and expected major changes in laws and regulations affecting Medicaid, Medicare, Estate and Special Needs Planning, we will be offering a series of upcoming workshops and training sessions to help educate and serve our clients. For example, see page five of this newsletter for more information about our upcoming Trustee Workshop scheduled for May 17, 2006.

PATRICIA E. KEFALAS DUDEK
Patti concentrates her practice in the area of estate planning for people with disabilities, elders and their families. Her practice includes advising and preparing estate planning documents, including special needs trusts; representation in Medicaid matters to secure appropriate mental health, long-term support, medical services, and housing; and the administration of estates and trusts, guardianships, conservatorships, and other protective arrangements.

Patti has served as the Chairperson for the State Bar Elder Law and Advocacy Section and she is currently Secretary of the Board of Directors of the United Cerebral Palsy Association of Metropolitan Detroit. Patti was also recently presented with the National Academy of Elder Law Attorneys (NAELA) 2005 Powley Elder Law Award for her efforts and commitment to advocating for seniors and people with disabilities.

SANFORD J. MALL
Sandy's designation as a Certified Elder Law Attorney distinguishes him in the practice of law as having attained a nationally recognized standard of expertise in his practice of estate planning, ElderCare law, care advocacy, Medicaid and Medicare beneficiary rights, special needs trusts, disability planning and advocacy, and estate administration. In December, 2005 Sandy's holistic legal planning and care advocacy was nationally recognized by Worth magazine in an article entitled "The Rise of the Independents," the lead story covering the country's Top 100 Attorneys. Sandy is also the current Chair-Elect of the State Bar Elder Law and Advocacy Section. Together, Patti and Sandy and the resources of their mutual firms provide the broadest possible range of proactive services to best meet the personal needs of their clients.

Medicaid Changes cont.

What is the impact of these changes? Although the Michigan Medicaid Manual and Medicaid application have not yet been updated to reflect the changes in the law, it is likely that applicants may be required to disclose all transfers made during the extended look-back period, and produce all financial records over 5 years. Transfers of any amount will be required to be reported including gifts to charities, gifts to grandchildren for their education, and gifts to children and grandchildren for birthdays and holidays, for the 60 months preceding the application date.

These reporting requirements result in extensive record-keeping for all transfers (gifts) and sadly, may result in "guaranteed ineligibility" for Medicaid for many seniors, particularly those suffering from dementia or Alzheimer's disease, who will be unable to produce the documentation required.

These changes further emphasize the value and cost-effectiveness of ElderCare legal planning prior to an emergency occurring. However, even under the DRA, if an emergency does arise, expert ElderCare legal assistance can help assure quality of care and quality of life while still preserving a financial legacy. Our combined offices are prepared to help elders, people with disabilities, and their families plan within the boundaries of the new and complex law.

DRA Lawsuit Filed

Jim Zeigler the elderlaw attorney who filed suit Feb. 13 to declare the Deficit Reduction Act unconstitutional made this response March 21 to another such lawsuit filed by Public Citizen, quoting "I expect dozens of lawsuits against the DRA, because its constitutional flaw is clear and obvious. Millions of citizens and thousands of businesses are adversely affected by the DRA. There has been no one yet who has argued that it is okay for the senate to pass one version of a bill and house another, then to have the president sign the senate version. This is Constitutional Law 101 — the same bill must pass both houses and be signed by the President. Otherwise the bill is not law. Case over."

"Public Citizen is affected only by the change in court filing fees. What I expect to see soon is senior citizens dependent on oxygen joining us as plaintiffs. They are clearly affected. Under the old law, they could receive Medicare oxygen for life. Under the new law, they are literally cut off after 13 months. Because of the posture of the cases, the case in Mobile, Alabama will go forward first. No response has yet been filed by the government."

Michigan Medicaid Beneficiaries Who Cannot Make Copays Must Receive Drugs, U.S. Judge Rules

U.S. District Judge David Lawson has ruled that Michigan pharmacists cannot refuse to dispense prescription drugs to Medicaid beneficiaries who say they cannot afford to make copayments, the *Detroit News* reports. Michigan pharmacists generally charge beneficiaries ages 21 and older a $1 copay for generic drugs and a $3 copay for brand-name drugs. Before Lawson's ruling, pharmacists were required to provide beneficiaries with their prescriptions the first time they could not pay copays but not subsequent times. The state is appealing the ruling. Jacqueline Doig, senior staff attorney for the Center for Civil Justice, said that now beneficiaries who "tell their pharmacists that they aren't able to pay ... will still be able to get their medicines." Jesse Vivian, general counsel for the Michigan Pharmacists Association, said the ruling could cause some of the state's 2,800 pharmacies that serve Medicaid beneficiaries to stop doing so (Egan, *Detroit News*, 3/17).

TRANSFERRING YOUR HOUSE TO YOUR CHILDREN MAY CAUSE YOU AND YOUR CHILDREN UNINTENDED TAX CONSEQUENCES

Many parents transfer their homes to their children by using unrecorded deeds. The parent wants control of the home while alive, and only upon death are the children to record the deed. However, this type of simple estate planning can be very expensive after the death of the original property owner.

In a recent Michigan Tax Tribunal decision, a mother, who was a widow, transferred her home to her son and daughter-in-law in February 2000. The deed was prepared because of the mother's declining health and was not recorded at the County the Register of Deeds. The mother died in December 2003 and the deed was recorded after her death in August of 2004.

The son and daughter-in-law were not happy when the city assessor sent them a notice that they owed money for back taxes, interest, and penalties. This money was owed because Michigan law dictates that the transfer of property takes place at the time the deed is signed and *not* when recorded. The property lost its principal residence exemption and the property's taxable value was uncapped back to the year 2000.

Additionally, this family was also at risk of having to pay unnecessary capital gains taxes because the wrong type of deed was used in attempting to arrange a non-probate transfer. If the mother had done proper estate planning the family would not have had to pay unnecessary and unintended taxes, interest and penalties.

Finally, whenever you consider a transfer of real estate we suggest that you consider the purchase of title insurance. This will assure that there is a correct, insurable legal description so there will be no title or ownership problems with the property.

FDIC Insurance for Retirement Accounts Increased to $250,000

Higher coverage takes effect April 1; Basic insurance limit for other accounts stays at $100,000

The Federal Deposit Insurance Corporation (FDIC) Board of Directors today approved final rules that will raise the deposit insurance coverage on certain retirement accounts at a bank or savings institution to $250,000 from $100,000. The increase, the result of a new law boosting federal deposit insurance coverage for the first time in more than 25 years, will become effective on April 1. The basic insurance coverage for other deposit accounts, however, will remain at $100,000.

"The increase in deposit insurance coverage on certain retirement accounts is a significant change," said Martin J. Gruenberg, Acting Chairman of the FDIC. "The FDIC is committed to helping depositors understand clearly the change that has been made and how it will affect the deposit insurance coverage for which they are eligible."

Under the FDIC's new rules, up to $250,000 in deposit insurance will be provided for the money a consumer has in a variety of retirement accounts, primarily traditional and Roth IRAs (Individual Retirement Accounts), at one insured institution. Also included are self-directed Keogh accounts, "457 Plan" accounts for state government employees, and employer-sponsored "defined contribution plan" accounts that are self-directed, which are primarily 401(k) accounts. In general, self-directed means the consumer chooses how and where the money is deposited. In addition, the IRAs and other retirement accounts that will be protected under the new rules to $250,000 are insured separately from other accounts at the same institution that will continue to be insured up to at least $100,000. To learn more about FDIC deposit insurance, see the resources listed later. The new law also established a method by which the FDIC would consider an increase in the insurance limits on all deposit accounts (including retirement accounts) in the future, but only every five years starting in 2011. Any such increase would be based, in part, on inflation. Otherwise, accounts will continue to be insured as described above.

To help consumers, bankers and others understand how the new law affects deposit insurance coverage and to help the public determine if certain accounts are fully insured, the FDIC provides the following resources:

- **Reports in *FDIC Consumer News*, including one being issued today:** A special two-page bulletin of the agency's consumer newsletter is being published today to provide a summary of the higher coverage for retirement accounts and to clarify that other insurance coverage has not changed. The publication will be posted on the FDIC Web site at http://www.fdic.gov/consumers/consumer/news/special/index.html. In addition, the next quarterly issue of *FDIC Consumer News* (Spring 2006) to be published in May will provide even more details. Consumers, the news media and other interested parties can sign up for a free e-mail notice about each new issue by following the instructions posted at www.fdic.gov/about/subscriptions/index.html.

- **Information on deposit insurance on the FDIC Web site:** Updated brochures on deposit insurance (including the basic guide *Insuring Your Deposits*) and a new version of the "Electronic Deposit Insurance Estimator" (EDIE), an interactive service that allows consumers to quickly and easily check whether their accounts are fully protected, will be available on the FDIC's Web site (www.fdic.gov) on Monday, April 3.

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NDSW Resource Center

CMS is pleased to announce the opening of the National Direct Service Workforce Resource Center. CMS created the Resource Center to respond to the large and growing shortage of workers who provide direct care and personal assistance to people with disabilities and older adults in the community. The direct service workforce includes direct support professionals, personal attendants, home health aides, certified nurse assistants, and others.

The Resource Center strives to support efforts to improve the quality of the workforce and to enhance recruitment and retention of direct support professionals by providing information, resources and assistance to state and local governments, policy makers, researchers, employers, workers, and consumers.

The Resource Center Offers…
A comprehensive on-line searchable database (www.dswresourcecenter.org) of resources, current research, best practices and policy briefs related to recruitment and retention of direct support professionals, including program materials such as such as worker and supervisor training curricula, guidance on measuring workforce outcomes, recruitment materials, and peer mentorship program designs.

You can access information, resources and advice from a diverse and experienced team of direct service workforce policy professionals through a national toll-free telephone number (1-877-822-2647).

Individualized, in-depth technical assistance for selected State Medicaid Agencies awarded through an annual application process. Any state or local government, not-for-profit organization, employer or professional in the field can access the Center's resources and expert advice through the website or toll-free telephone number.

State Medicaid Agencies can apply for in-depth technical assistance (TA) on an annual basis. CMS is specifically targeting this TA to State Medicaid Agencies because of the key role they play in quality assurance, worker education, supervisor education for workers and consumers, wages and benefits, and provider reimbursement. States can apply for assistance with existing initiatives aimed at improving the home and community based direct service workforce, or for assistance with a new initiative. Visit the Resource Center website (www.dswresourcecenter.org) for more information.

Patricia E. Kefalas Dudek
&
Sanford J. Mall
are pleased to announce their first combined

TRUSTEE WORKSHOP

When: Wednesday, May 17, 2006
Where: St. Nick's Church
760 West Wattles Road
Troy, MI
Cost: $150 per person, includes continental breakfast, lunch and materials.
(Please note this may be a legitimate administration expense for acting as trustee).

Who should attend? Anyone acting as a Trustee of a Special Needs Trust or Amenitites Trust. Anyone named to act as a Trustee in the future, Beneficiaries, Advocates, Trust Protectors and Financial Advisors working with people with disabilities and their families.

Contact Jo Ann Diener at 248-731-3080 to register.
Space is limited and registrations will be filled on a first come first serve basis.

Trustee Workshop Agenda

8:00 to 9:00:	Registration and Continental Breakfast
9:00 to 9:15	Welcoming Comments & Housekeeping *Sanford J. Mall & Patricia E. Kefalas Dudek*
9:15 to 10:15	General Responsibilities of all Trustees The Reasonable Prudent Investor Rule Tax Returns *Sanford J. Mall*
10:15 to 10:30	Break
10:30 to 11:45	EPIC Accountings & Supervised Accountings - What are they and why do they cost so much? *Mary G. Trayner & Patricia E. Kefalas Dudek*
11:45 to 12:00	Break
12:00 to 1:30	Lunch
1:30 to 2:30	Update of Benefit Changes -DRA -Medicare Part D - Estate Recovery - Co-Payments - What is a Medicaid Covered Service? *Patricia E. Kefalas Dudek & Sanford J. Mall*
2:30 to 2:45	Break
2:45 to 4:00	Real Estate Transactions Property Taxes Other complex disbursement situations *Patricia E. Kefalas Dudek, Sanford J. Mall & Staff*

SANFORD J. MALL
SPEAKING SCHEDULE

April 7, 2006 from 1:15pm to 2:45pm
State Bar Elder Law and Advocacy Section Spring Conference
New Face of Medicaid Planning
Top 10+ Planning Strategies Under the Deficit Reduction Act of 2005.

April 10, 2006 from 11:30 am to 2:00 pm
Daughters of the American Revolution Three Flags Chapter Meeting
Estate & ElderCare Planning

April 18, 2006 from 1:00 pm to 3:00 pm
Jewish Community Center, West Bloomfield
Estate & ElderCare Planning

April 20, 2006 from 8:00 am to 10:00 am
Michigan Association of CPAs, Macomb County Chapter
Holistic ElderCare Planning

April 21, 2006 from 7:00 pm to 9:00 pm
Oakland County Private Practice Group
Patient Confidentiality and Therapist's Duty to Plan

April 24, 2006 from 10:00 am to 11:00 am
Money Smart Senior Day, St. Patrick's Senior Center, Detroit
It's Time to Talk About It – Living Wills, Medicaid & Long-Term Care

April 25, 2006 from 5:00 pm to 9:00 pm Laurel Manor, Livonia
An Evening Under the Stars - Living Longer & Loving It!
Booming Dynamics of Aging: "Are We Ready?"

April 25, 2006 from 9:30 am to 10:30 am
Beaumont Home Health Agency, Troy
Holistic ElderCare Planning Issues

April 25, 2006 from 10:00 am to 11:00 am
Money Smart Senior Day, Troy Community Center, Troy
Living Wills, Medicaid and Long-Term Care

April 27, 2006 from 8:30 am to 9:30 am
Comerica Bank Private Banking Group
ElderCare, Special Needs and Medicaid & Medicare Legal Update

April 27, 2006 from 12:30 pm to 2:30 pm
Federal Reserve Money Smart Week
Money Smart Senior Day, Marygrove College, Detroit
Estate Planning, Trusts & ElderCare

May 16, 2006 from 1:00 pm to 3:00 pm
Oakland County Bar Association Senior Day, Waterford Senior Center
Ask the Lawyer

May 17, 2006Trustee Workshop

May 19, 2006 from 11:00 am to 12:00 pm
Bloomfield Seniors, Bloomfield Hills
Medicare & Medicaid Benefits and Beneficiary Rights

June 2, 2006
Michigan Psychological Association, Livonia
Estate Planning, Special Needs & ElderCare Issues Affecting Patients

June 22, 2006 from 11:00 am to 11:45 am
ICLE MSU Management Center, Troy
Estate & Financial Planning for Elderly & Disabled Clients
Government Income & Health Programs for Elderly & Disabled

1:45 pm to 2:45 pm
Medicaid Planning Techniques

PATRICIA E. KEFALAS DUDEK'S
UPCOMING PROGRAMS/SPEECHES

8 Greatest Estate Planning Techniques on April 25, 2006 in Troy, Michigan on *Planning for Disabled Family Members*. For more information, please contact Lorman Education Services at 866-352-9539 or customerservice@lorman.com.

46th Annual Probate and Estate Planning Institute on June 9-10, 2006 in Troy, Michigan at the MSU Management Education Center on *Educating Clients on 1) Acting as an Agent under Power of Attorney, 2) Acting as a Patient Advocate and 3) Educating your Clients in Fiduciary Duties*. For more Information, please contact The Institute of Continuing Legal Education (ICLE) at 877-229-4350 or icle@umich.edu.

The Institute of Continuing Legal Education (ICLE) – Estate and Financial Planning for the Elderly or Disabled Clients on June 22, 2006 in Troy, Michigan at the MSU Management Education Center on *Applications and the Appeal Process: 1) What is the "initial assessment and snapshot date", 2) Sample asset declaration, 3) Increasing the spouse resource allowance and 4) Post-eligibility issues for the community spouse.* For more Information, please contact The Institute of Continuing Legal Education (ICLE) at 877-229-4350 or icle@umich.edu.

2006 National Academy of ElderLaw Attorneys (NAELA) Advanced Law Institute on November 2-6, 2006 in Salt Lake City, Utah on *Expanding your practice into other areas after DRA.* For more Information, please contact The National Academy of ElderLaw Attorneys (NAELA) at (520) 881-4005.

The Institute of Continuing Legal Education (ICLE) – Solo and Small Firms Institute on October 19, 2006 in Dearborn, Michigan at the Ford Conference & Education Center on *Advising Clients and Advanced Health Care Directives*. For more information, please contact The Institute of Continuing Legal Education (ICLE) at 877-229-4350 or icle@umich.edu.

The Institute of Continuing Legal Education (ICLE) – Estate and financial Planning for Families with Special Needs Children in April 2007 in Troy, Michigan at MSU Management Education Center on *Housing Issues, Caregiver Issues, Community Pooled Account Trusts and Choosing the Right Trustee of the Special Needs Trust*. For more information, please contact The Institute of Continuing Legal Education (ICLE) at 877-229-4350 or icle@umich.edu.

Personal Care Hour Deduction

In a recent case that protects people getting Medicaid services, the Washington Court of Appeals has ruled that the State's Medicaid Home and Community-Based Services waiver program cannot automatically deduct personal care hours from an enrollee's support services package if he or she is living with a family member who is a paid caregiver. Michigan has attempted similar types of cuts in the past, but in this case, the Washington Court of Appeals ruled that the State can take shared housing into consideration when making individualized personal care hour allocations, but cannot impose automatic deductions. For more information, visit: http://tinyurl.com/zpx45

Automatic Enrollment in Prescription Drug Benefit Program

The U. S. Centers for Medicare & Medicaid Services will automatically enroll an additional 1.2 million beneficiaries in the Medicare prescription drug benefit if they do not take action to enroll on their own by April 30, according to a CMS announcement posted March 20 on its Web site.. CMS plans to automatically enroll several groups of beneficiaries who qualify for a low-income subsidy under the drug benefit. One group includes beneficiaries who applied for the subsidy and were approved but have not signed up for a Medicare drug plan. A second group includes beneficiaries who are enrolled in other federal assistance programs — including the Medicare Savings Program and the Supplemental Security Income program — that likely would qualify them for the low-income subsidy. CMS will send letters notifying the beneficiaries that they will be automatically enrolled in a plan if they do not sign up for a plan on their own by April 30. Beneficiaries who receive the letters also have the option to decline enrollment altogether.

Source: Kaiser Daily Health Policy Report (22 Mar 2006)
Full story: http://www.kaisernetwork.org/daily_reports/rep_index.cfm?DR_ID=36166

FDIC Insurance cont.

- **A toll-free consumer assistance line:** Help and information about deposit insurance and other matters of interest to bank customers is available at 1-877-ASK-FDIC (1-877-275-3342) Monday through Friday from 8:00 a.m. to 8:00 p.m., Eastern Time. For the hearing-impaired, the number is 1-800-925-4618.

- **Responses to letters:** Questions may be e-mailed to the FDIC using the agency's Customer Assistance Form at http://www2.fdic.gov/starsmail/index.asp or in a letter to FDIC, Division of Supervision and Consumer Protection, 550 17th Street, NW, Washington, DC 20429-9990.

Federal insurance protects depositors against loss if a banking institution fails. The same law also increased the deposit insurance coverage for retirement accounts at credit unions insured by the National Credit Union Administration. Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. The FDIC insures deposits at the nation's 8,833 banks and savings associations and it promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars – insured financial institutions fund its operations. FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200).

Single point of entry is must for Michigan

Published March 23, 2006
Reprinted from the Lansing State Journal

When it comes to long-term care options, older adults enter a maze that can often be impossible to escape. The current long-term care system is fragmented and disjointed, with many public and private programs and services - personal care, self-directed care, homemaker, assistive devices, home adaptations, home delivered meals, chore services, respite services, transportation, assisted living, nursing home care ... the list goes on. To make it even more confusing, these programs and services are delivered by a large array of agencies and organizations. Older adults themselves sometimes have to navigate a system that requires them to coordinate several disparate financing and delivery systems.

This can cause major confusion for older adults and family members, leaving them unaware of many of their options and unable to make an informed choice about their long-term care services. So you may ask how do we provide them the information they need?
It's simple - create Single Points of Entry (SPE). A SPE is a system that enables consumers to access long-term and supportive services through one agency or organization. SPEs perform several functions, including:

- Providing consumers with information on and referral to all long-term care options, services, and supports.
- Facilitating movement between supports, services, and settings.
- Assisting consumers in obtaining a financial determination of eligibility for publicly funded long-term care programs.
- Assisting consumers in developing their long-term care support plans through a person-centered planning process.

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MEDICAID BUDGET CHANGES

Changes from FY 2005-06 Year to Date:

1. **Carve Out Anti-Psychotic and Anti-Depressant Medication.** Senate language established conditions for the proposed carve out of anti-psychotic medication to Community Mental Health (CMH) agencies and anti-depressant medication to Medicaid Health Maintenance Organizations (HMO). Among the conditions included in this section are a requirement for the Department to establish statewide procedures for the administration of these drugs and a provision mandating inclusion of the actual cost of these drugs in Medicaid capitation rates paid to CMH agencies and Medicaid HMOs. (Sec. 269)

2. **Detroit Wayne County Community Mental Health (CMH).** New boilerplate language reduced the non-Medicaid allocation to Detroit/Wayne County CMH by $35 million for FY 2006-07 if the agency does not become a mental health authority by July 1, 2006. This reduction would be changed to $15 million if Detroit/Wayne County CMH becomes a mental health authority by October 1, 2006. This boilerplate section also included a statement of legislative intent to pursue other means of administering mental health in Wayne County if the Detroit/Wayne County CMH does not become an authority by July 1, 2007. (Sec. 459)

3. **AIDS Drug Assistance Program.** Current year boilerplate was modified to give the Department the ability to revise eligibility criteria and the drug formulary for the AIDS Drug Assistance Program if the program's FY 2006-07 appropriation is not sufficient to meet program costs. (Sec. 803)

4. **Local Public Health Hearing and Vision Screening.** New Senate language included in the bill states that the local funds appropriated to public health departments for hearing and vision screening will be used to provide these services at a level similar to those available in FY 2004-05. (Sec. 905)

5. **Michigan First Healthcare Plan.** New boilerplate stated that the $200 million in Federal funds appropriated in FY 2006-07 for the Michigan First Healthcare Plan are contingent upon Federal approval of a waiver. (Sec. 1501)

6. **Home and Community-Based Waiver Payment Adjustment.** The Senate bill restored current year language that reduces administrative reimbursement for home and community-based waiver services by $2 per person/per day. Savings generated by this reduction would be used to increase program enrollment. (Sec. 1684)

7. **Medicaid Adult Home Help Wage Adjustment.** New Senate language provided guidance for the distribution of $20 million Gross allocated for wage increases for personal care workers in the Medicaid Adult Home Help program. These funds would be used to provide a minimum increase of 55 cents per hour to all workers and to establish a wage floor of $6.10 per hour. (Sec. 1691)

8. **Medicaid Waiver for Health Information Technology.** The Senate bill included language instructing the Department to seek a waiver from the Federal government that would permit the State to provide financial support for e-prescribing and other health information technology initiatives through the Medicaid program. The waiver would be similar to proposals submitted by other states seeking permission to invest identified Federal Medicaid savings generated through Medicaid managed care waiver programs into health infrastructure initiatives. (Sec. 1733)

9. **Medicaid Waiver for Health Behavior Incentives.** New Senate language required the Department to seek a waiver from the Federal government that would permit the State to provide financial incentives for positive health behavior practiced by Medicaid recipients. The waiver, if approved, would permit the State to use Federal funds to provide small monetary payments into individual health accounts for Medicaid recipients who demonstrate positive changes in personal health behavior. (Sec. 1734)

10. **Medicaid Cost Sharing.** Senate language instructed the Department to modify copayments and premiums charged through the Medicaid program to generate an additional $5 million GF/GP savings. (Sec. 1737)

11. **Medicaid HMO Outcome Targets.** New language in the Senate bill included language requiring the Department to identify the ten most expensive diagnosis in the Medicaid program and create health outcome targets for each of these ailments. The Department was further instructed to make financial incentives available to Medicaid HMOs that reach these targets. (Sec. 1739)

12. **Medicaid Nursing Home Interim Payments.** New boilerplate in the Senate bill instructed the Department to continue to make available to nursing homes, upon request, interim payments for services provided. The Department is to ensure that these interim payments are as close as possible to final cost-settled payments that will be made to these facilities. (Sec. 1741)

Beware of Part D Phone Scams

The Centers for Medicare & Medicaid Services (CMS) warns seniors and people with disabilities to be aware of a scheme that asks Medicare beneficiaries for money and checking account information to help them enroll in a Medicare Prescription Drug Plan. This scheme is called the "$299 Ring" for the typical amount of money Medicare beneficiaries are talked into withdrawing from their checking accounts to pay for a non-existent prescription drug plan.

Consumers can report these cases to their local law enforcement agencies or 1-877- 7SAFERX (1877-772-3379).

Medicare has received complaints from Indiana, Michigan, Pennsylvania, Massachusetts New Jersey and Georgia.

Complaints have been made against a number of different companies, but authorities believe that the companies are the same and are typically based outside the U. S. As soon as CMS receives these complaints, they are investigated and referred to federal law enforcement authorities.

No Medicare drug plan can ask a person with Medicare for bank account or other personal information over the telephone. No beneficiary should ever provide that kind of information to a caller. They should contact their local police department if they believe someone is trying to take money or information from them illegally.

NATIONAL CITIZENS' COALITION FOR NURSING HOME REFORM (NCCNHR)

Please SPREAD THE WORD!! Over the next several months NCCNHR will be undertaking a nationwide consumer education project entitled "Giving Voice to Quality." They are offering free training for nursing home residents and their families via a series of conference calls on topics of quality long-term care practices. We hope residents and family members from every state will participate. 100 slots are available to any resident currently living in a nursing home or their family members and 50 slots are available for long-term care ombudsmen and citizen advocates. In particular, we hope to involve **"consumer leaders"** — residents and family members who are already formally or informally networked with other residents and family members at their facility.

The topic for the **first call** is on **resident-directed assessment and care planning**, and will take place on **Tuesday, May 9, 2006, at 3 p.m. ET.** The guest speaker will be **Lynda Crandall, RN, GNP.** Lynda Crandall is a Gerontological Nurse Practitioner with more than 30 years experience working with older adults providing direct services through nursing home and geropsychiatric in-patient hospital care, as well as indirect services through formal and informal consultation, community training and education, quality of care initiatives, and state policy/program design. Ms. Crandall is active in the Oregon long term care culture change coalition, MOVE, (Making Oregon Vital for Elders) which is affiliated with the Pioneer Network. Lynda will share basic information on how the care planning process ***should*** work and how residents and family members can play a meaningful role. Following Lynda's presentation, **advocacy expert Cris Parque** (formerly with Friends and Relatives of the Institutionalized Aged – FRIA) will lead a discussion and offer suggestions on how residents and family members can help spur movement towards resident-directed assessment and care planning.

The deadline for registration is Tuesday, May 2, 2006. Interested residents, family members, ombudsmen, and citizen advocates may register by filling out the attached registration form or by sending an email to voice@nccnhr.org with their name, address, telephone number, and facility name. After registering (via mail, fax, or email), participants will receive materials for the call and instructions for how to dial-in to the call. Please let NCCNHR know if you have any questions, by email: voice@nccnhr.org or telephone 202-332-2275. Thank you!

Oakwood Healthcare Foundation receives $1 million from Carls Foundation for Family Center

The **Oakwood Healthcare System Foundation** and the Program for Exceptional Families have been awarded a $1 million grant from **The Carls Foundation** for a proposed Center for Exceptional Families. The grant is for construction of a 5,500-square-foot center designed to meet the needs of children with multiple disabilities throughout Southeast Michigan. A specialized staff and multidisciplinary team will be able to provide care to children with major developmental disabilities in one location.

The new center will house a mobility gym to assist patients with walking and balance, two speech rooms, an observation room with a one-way mirror, an occupational therapy gym and a reference library.

The Carls Foundation has several charitable purposes including children's welfare and health care facilities and programs. For more information, visit www.carlsfdn.org. The Oakwood Healthcare System Foundation offers special programs such as the Program for Exceptional Families through community involvement, volunteerism and philanthropy. For more information, visit www.oakwood.org/Foundation/index.asp.

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- Re-evaluating consumers' need and eligibility for long-term care services on a regular basis.
- Working with consumers and community settings to assure they are presented with a full array of long-term care options.

Currently, 32 states and the District of Columbia are operating 43 SPEs across the nation, but Michigan has yet to jump on the SPE bandwagon. However, House Bill 5389 has been introduced. This legislation would promote and establish Single Point of Entry services in Michigan. The bill was referred to the Committee on Senior Health, Security, and Retirement and will be voted on soon. It is imperative that older adults have information regarding all long-term care options that are available to them. This allows them to make an informed choice - a choice that reflects their wants and needs.

Older adults should be in charge of their lives - in charge of how they spend their older years. The establishment of SPEs will give them the information needed and allow older adults to choose the long-term care services they desire. Michigan is behind the times and it is about time they get up to speed. SPEs in Michigan are a must! Older adults have contributed so much to society. They have raised us. They have tended to our needs for years. They have laid the foundation for what is to come. They, of all people, deserve the long-term care services of their choice. Do what is right and support HB 5389. They have earned it! Please contact us if you want more information.