

ALZHEIMER'S DISEASE

A Legal and Financial Planning Guide for New Yorkers

Third Edition
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This guide has been prepared as a public service by The New York City Department for the Aging. It is intended to provide the reader with an overview of some legal and financial issues confronting persons with Alzheimer's disease and their families residing in New York City. The information in this guide is current as of March 2000. Please note, however, that the rules and regulations for the federal, state, and local programs discussed in this guide are subject to regular updating.

This guide is not intended to give the reader an in-depth understanding of the areas of law discussed herein, nor is it intended to substitute for legal advice. **Therefore, prior to making any decisions regarding these issues, the reader is advised to seek professional help.** You may contact your local bar association's Lawyer Referral Service, the Legal Aid Society office, or the Alzheimer's and Long Term Care Services at the New York City Department for the Aging.

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ABOUT THIS GUIDE

This guide was written to help people with Alzheimer's disease and their families understand the impending legal and financial issues that New York City residents will be confronting. If you live outside the city, you should contact your local Area Agency on Aging for information. The agencies for the Greater Metropolitan area can be found in the [General Resources](#) section.

This guide will advise on:

How to seek help from professionals

How to consult an attorney

Available legal and financial planning instruments

How to manage the costs of long term care

Where to apply for financial help

Where to go for guidance

The rules and regulations for the federal, state and local programs discussed in this guide can and do change regularly. This is especially true in the area of Medicare and Medicaid provisions. **Therefore, before making any decisions regarding such programs, make sure your information on the program is complete, current, and accurate.**

The names and contact numbers of the agencies overseeing the programs discussed in the guide are listed alphabetically in the [General Resources](#) section at the end of the guide.

ALZHEIMER'S DISEASE AND THE NEED FOR PLANNING

Named after the German physician, Alois Alzheimer, who first described the condition in 1907, Alzheimer's disease is the most common form of irreversible dementia. It consists of intellectual deterioration, disorganization of the personality, and, ultimately, the inability of individuals with the disease to carry out the normal tasks of daily living. In the final stages, the affected person requires 24-hour care.

There are more than four million persons with Alzheimer's disease in the United States today--a number that is expected to reach fourteen million by the middle of the 21st century unless science finds a way to prevent or cure the disease. Far from being a rare disorder, this disease is the fourth leading cause of adult death in the United States. It is estimated that one in ten persons over the age of 65 suffer from the dementia associated with Alzheimer's disease and nearly half of those over 85 have Alzheimer's disease.

With Alzheimer's disease comes a decline in the individual's memory and mental ability. The course of the disease differs from person to person. It can progress quickly, over three to four years, or more gradually, from 15 to 20 years. Life expectancy at the time of diagnosis is from 2 to 20 years.

In the later stages of the disease, nursing home care is usually required. This can cost from \$45,000 to \$165,000 per year. The higher end of this range, \$72,000 to \$120,000, is common throughout the New York metropolitan area. The cost of home care can cost from \$10,000 to \$50,000 or more per year.

Because the disease often progresses slowly, and care in the later stages can be so expensive the people with Alzheimer's and their families are compelled to resolve

numerous legal and financial issues. These problems should be dealt with as soon as a diagnosis is made. Early attention to the preservation and management of the patient's assets can make a difference when the disease reaches the final stages.

It is important to keep in mind the needs and interests of the person with Alzheimer's disease, his or her spouse, and those family members who will have new caregiving responsibilities.

The whole family should plan for the future together, reaching out for professional assistance when needed. Developing a plan as early as possible will relieve the individual and the family of many legal complications and financial burdens in the future.

Many families are reluctant to acknowledge that their family member has Alzheimer's until they are forced to recognize it. This can cause many problems as the disease progresses, especially once the person becomes legally incompetent to make his or her own decisions. Early planning can allow the person with Alzheimer's disease to be involved in the process, so that his or her interests and wishes are respected. It can also ensure that money is wisely managed, and health care needs will be properly met, now and in the future.

GETTING THE RIGHT KIND OF HELP

In order to develop a plan that addresses care and treatment issues for a person with Alzheimer's disease and for their caregiver, professional assistance should be sought. The professionals who specialize in planning for the person's physical long term care needs include doctors, nurses, social workers, geriatric care managers, therapists, and counselors. These individuals will help answer questions about non-legal and non-financial issues, such as types of professional caregiving options.

Financial planners, accountants, benefits officers, government representatives, and attorneys are the professionals to consult for advice on financial and legal matters. Attorneys can offer advice regarding trust and estate planning, insurance issues, public benefits and entitlements, disability, retirement and financial planning. See [How to Consult an Attorney](#) for more information.

To find the professionals who specialize in each of these areas, you may contact:

- The New York City Department for the Aging, Alzheimer's and Long Term Care Services
- Local chapters of the Alzheimer's Association
- Friends and Relatives of Institutionalized Aged (FRIA)

A list of organizations to contact for assistance in choosing a professional can be found in the [General Resources](#) section.

WORKING WITH PROFESSIONALS

When consulting professionals about legal and financial matters, it is important to provide information about the bank accounts, pensions, investments, insurance policies, property, mortgages, loans, trusts, and powers of attorney of the person with Alzheimer's disease. It is also helpful to have the latest tax returns, his or her will, birth certificate, citizenship papers (where applicable), divorce papers and spouse's death certificate (where applicable).

The person with Alzheimer's disease and the family should be prepared to designate the beneficiaries of the estate, a caregiver, and/or legal guardian. At least one of these designees should also be given the power to manage the funds of the person with Alzheimer's disease.

When consulting an attorney, a physician, a government benefits officer, or any other professional, it is important to be prepared with questions and to take notes during the meeting.

Investigate all caregiving options, including respite services, day care, at-home care, and nursing home care, as early in the process as possible. Researching the available caregiving options will help in the best selection for the person with Alzheimer's disease and the caregiver.

Ask questions about the fees and responsibilities of each professional you engage for legal and financial planning. Do not be afraid to ask for clarification of any points you do not understand. It is important that you clearly understand the details and the cost of the services that are to be provided to you. For more information on the kinds of questions you might want to ask, you may contact the New York City Department for the Aging, the Alzheimer's Association, and Friends and Relatives of Institutionalized Aged (FRIA) listed in [General Resources](#).

HOW TO CONSULT AN ATTORNEY

An attorney who specializes in long term care financing can be a great help during the planning process. Hearing impartial advice from a third party about estate planning, trusts, and other legal and financial issues may help put the person with Alzheimer's disease and the family at ease.

There may be several options in selecting an attorney:

- The New York City Department for the Aging's Alzheimer's and Long Term Care Services, the local chapter of the Alzheimer's Association, and FRIA can provide lists of elder law attorneys knowledgeable about estate planning, health care laws, and government benefits.
- The Legal Services for the Elderly program may provide free legal assistance for

people over 60 years of age who have the greatest social and economic needs.

Because the laws and regulations are complex and often updated, the attorney you choose should specialize in elder law and be familiar with trusts, estates, and Medicare/Medicaid provisions.

It is also important to keep in mind that you are the client, and the attorney is working for you. If you are not comfortable with the first attorney you contact, consider speaking with another. You are paying for these services and you should be selective of the attorney who will be representing you and your family's interest.

Once you decide to seek the aid of an attorney, there are several steps that may save both time and money:

1. Compile the personal documents of the person with Alzheimer's disease, including but not limited to, information relating to their medical and financial status. See [Identifying Financial Resources](#). Giving the attorney access to complete background information will help make the planning process flow smoothly. Prior to the initial consultation, ask the attorney what information you need to bring to the meeting. See [Documentation Check List](#).
2. Prior to meeting, find out if the attorney will charge for the initial consultation. After the attorney has sufficient facts to make a considered judgment on the case (usually at the close of the session), request an estimate of the remaining fee. Many attorneys charge either by the hour, or on a flat-fee basis for drafting instruments, such as trusts and wills. Also note that some attorneys now charge for telephone time subsequent to the initial consultation.
3. Make a thorough list of the questions you want to ask the attorney. Do not be afraid to ask questions that may seem basic, because it is important that you have a complete understanding of the plan that the attorney is developing. The family should include the person with Alzheimer's disease in this process as much as possible; the issues should be handled in a manner the individual would choose.
4. Because the discussion may seem overwhelming at the time, it is best to write down important information. Do not feel obligated to give immediate answers during the first meeting. If possible, take another person with you to the initial consultation to listen and take notes.

Take time to think about all the options the attorney presents. Remember, the objective in meeting with an attorney is to formulate the best plan to help preserve the resources and manage the affairs of the person with Alzheimer's disease when he or she is no

longer able to do so.

IDENTIFYING FINANCIAL RESOURCES

Before designing a financial plan or applying for Medicare, Medicaid, and/or any other government-assisted programs for the person with Alzheimer's disease, the individual's financial status must be assessed.

Step 1

Verify resources. These include, but are not limited to, bank and credit union accounts, stock certificates, savings bonds, certificates of deposits, life insurance, health insurance, and real estate. The inventory of resources should include the type, location, ownership, account number, and the beneficiaries.

Step 2

Identify all income sources. These include, but are not limited to, salary and/or pensions, including Social Security, rental income, interest, and dividends.

Step 3

List current liabilities. These include, but are not limited to, loans, credit card balances, home mortgages, and property and income taxes. Determine all monthly expenses for the person's current housing and living needs.

Accurately accounting for these financial resources is important to determining eligibility for government and social service programs. See [Applying for Financial Help](#) for additional information on programs for seniors that may provide financial assistance.

LEGAL AND FINANCIAL PLANNING INSTRUMENTS

Once the financial status of the person with Alzheimer's disease has been assessed, planning and managing the individual's finances becomes a top priority. He or she may be receiving income in the form of dividends, interest, retirement benefits, and may also be receiving government benefits such as Social Security, Veterans Administration benefits, and disability income as described in [Applying for Financial Help](#).

There are several ways to ensure that these payments are received and properly credited to the appropriate account. These methods include direct deposit, appointing a representative payee, establishing multiparty assets, using a power of attorney and creating a guardianship. The following paragraphs briefly discuss some of these methods for managing the finances of those with Alzheimer's disease.

Direct Deposit

Direct or automatic deposit into the person's bank account protects against loss, theft, or the destruction of checks. To arrange for the direct deposit of governments funds, file a standard authorization form that can be obtained from the bank or the government agency from which the individual is receiving benefits. Contact the source of any non-government payments, such as retirement benefits, for information on its direct deposit procedures.

Representative Payee

Another way to ensure that certain checks are received is to request the appointment of a representative payee for the patient. This option is available when the individual receives benefits from the Social Security Administration, Railroad Retirement Administration, or Veterans Administration. This agreement is useful when a family member or caregiver needs access to the retirement benefits of the person with Alzheimer's disease.

Arranging for a representative payee is done by contacting the administration that provides the benefit. See [Applying for Financial Help](#) for telephone numbers. Once approved, the representative payee receives the benefit checks which are then used to pay the individual's living and health care expenses. A representative payee does not automatically gain access to any other income or resources of the person with Alzheimer's disease.

Joint Bank Account

A joint bank account is an account held in more than one person's name, such as John Doe and/or Jane Doe. An account can be set up so that either party can access the account independently, or that more than one person must sign in order to withdraw money. While joint accounts are a useful way to maintain access to another person's resources, they can cause complications when applying for Medicaid or other public benefits. Many government programs assume that the money in the account belongs only to the person applying for the benefit. Be sure to review any joint account with an attorney or other benefits expert prior to making applications for public benefit programs.

Power of Attorney

The power of attorney is a relatively simple legal device. The person with Alzheimer's disease, as the **principal**, authorizes another person, often a family member, to act on his or her behalf as the **agent**. In turn, the agent can deal with a wide variety of financial and property matters, ranging from the management of a single bank account to buying and selling assets, including real estate.

A change in New York law has made the form more complex. Prior to executing the instrument, read carefully and, if there are any provisions that are unclear, seek professional assistance.

Because Alzheimer's disease is progressive in nature, a **durable power of attorney** is the preferred form. A durable power of attorney gives to the agent immediate power that continues after the person with Alzheimer's disease becomes disabled or incapacitated.

Other types of powers of attorney to consider are:

A **power of attorney that is not durable**. This form gives the agent authority to act on the behalf of the person with Alzheimer's disease only *before* the individual becomes incapacitated, but **not** after.

A **springing durable power of attorney** becomes effective only when the person with Alzheimer's disease actually becomes incapacitated or meets another specified condition.

A **specific power of attorney** is a power of attorney used by most banks, insurance companies, and stock brokerage firms. These companies may be resistant to accept forms other than their own specific power of attorney. If this method is used, a separate power of attorney form may be required for each account and safety deposit box.

Several copies of the general durable power of attorney form should be filled out. Carefully check to ensure that the power of attorney is durable, if such a form is preferred.

If the individual owns property in other states, then powers of attorney drafted according to the laws of those states should also be executed.

In some states, a principal can use the power of attorney form to give his agent the power to make health care decisions, as well as to grant control over financial matters. In New York, however, a health care power of attorney **must** be a **separate** document from a general power of attorney. See discussion on the [Health Care Proxy](#).

Guardianship

Another option for managing the affairs of the person with Alzheimer's disease in New York City is to bring a guardianship proceeding in which a court appoints a guardian to care for the individual's person and/or property. This course of action is usually pursued when the patient has become incapacitated and no provisions for personal and/or money management have been previously made using powers of attorney, the health care proxy, or related planning instruments.

The guardianship statute replaces the previous system of conservatorship and committees. It allows a court to appoint a guardian for a person whenever the court finds "clear and convincing" evidence that the "alleged incapacitated person" cannot adequately understand and appreciate the nature and consequences of his or her particular inabilities and is likely to suffer harm because of these limitations.

The guardian statute focuses on the actual needs of the impaired person. The powers that the judge grants to the guardian are specifically chosen to give the individual with Alzheimer's disease only the amount of assistance necessary, leaving that person with the right to make most choices about his or her life.

The guardianship proceeding, however, is expensive. A number of attorneys and other professionals may be required to represent each person involved in the court proceeding. For this reason, it is strongly recommended that a durable power of attorney and health care proxy be in place before the person with Alzheimer's disease becomes incapacitated.

DELEGATING MEDICAL TREATMENT DECISIONS

Many persons in the early stage of Alzheimer's disease want to ensure that their wishes concerning their health care will be carried out in the event they become incapacitated. They may provide instructions for their future care through a health care proxy and living will. These approaches are described below.

The Health Care Proxy

New York's health care proxy law allows for the appointment of a person (**the health care agent**) who can act on behalf of the patient (**the principal**) and participate in the health care decision-making process just as the principal would. The agent has the power to make decisions regarding life-sustaining treatment; however, when it comes to decisions about artificial nutrition and hydration, the agent must be able to show that the principal's wishes are reasonably known. This is most easily accomplished by having the principal clearly state his or her wishes in the proxy form itself. The agent is empowered to make decisions only upon a determination by the principal's attending physician, to a reasonable degree of medical certainty, that the principal has sustained the loss of his or her capacity to make health care decisions. **Copies of the health care proxy should be given to the agent, the patient's doctor, home health care provider agency, hospital, and other family members or close friends.**

New York State law limits family members from making certain treatment decisions for patients unable to make their own decisions, unless a court guardian is appointed **or** the individual has signed a health care proxy. A properly signed health care proxy may avoid a time-consuming and expensive guardianship proceeding in the future.

If the individual spends time in another state, then a health care proxy or medical power of attorney approved under that state's law should be executed.

The Living Will

The living will allows a person to declare his or her wishes regarding the use of technologically advanced medical care and procedures that can delay death. **New York State does not have a law that recognizes living wills.** Instead the Legislature

enacted the health care proxy law.

However, the New York State Court of Appeals has upheld the right of an individual to have life-sustaining treatment withheld when, in advance, such a decision has been clearly indicated, such as in a living will. An appropriately drafted living will should meet the Court's standard of "clear and convincing evidence" of an individual's desires regarding personal medical treatment **and** should be consistent with the health care proxy.

The living will should be discussed with personal physicians, family members, and caregivers, and should be accessible when the need arises. It should be reviewed periodically.

PAYING FOR MEDICAL CARE

The medical insurance coverage that may be available to help meet the particular needs of the Alzheimer's patient are Medicaid, Medicare, and private insurance. Medicaid, which is for those persons with low-income and limited resources, covers the costs of the long-term custodial care associated with Alzheimer's disease. Medicare covers skilled nursing care costs, which may be useful in some Alzheimer's cases. Private insurance may help meet the costs of caring for an Alzheimer's patient. Each medical insurance program is briefly described below.

For more detailed information and referral about medical insurance and eligibility, contact the New York City Department for the Aging, Health Insurance Information, Counseling and Assistance Program (HIICAP), the local chapter of the Alzheimer's Association, or FRIA listed in [General Resources](#).

Medicaid

Medicaid is a joint federal, state, and city program providing medical assistance to people meeting certain income and resource limits. It is a health care program covering prescription drugs, community-based day care and respite care services, in-home care, hospital care and nursing home care. Medicaid is the primary source of funding for long-term custodial care in New York.

Eligibility for Basic Community Medicaid

Broadly speaking, to be eligible for Medicaid in the community, an individual may not have more than \$3,600 in total resources and \$620 monthly in income (in 2000). If the individual has more income, he/she may still qualify for Medicaid under the Excess Income Program, but will be required to contribute that surplus to the cost of care. Certain burial funds or prepaid funeral arrangements may be allowed in addition to the resource level.

Eligibility for Nursing Home Medicaid

To be eligible for Medicaid in the nursing home, the same resource limits apply. However, all income for an individual, who does not have a spouse remaining in the community, must be paid to the state to cover the cost of care, except for the cost of health insurance coverage and a monthly \$50 personal needs allowance.

If an unmarried individual enters the nursing home and the doctor agrees that the person may be able to return home within six months, Medicaid will allow the individual to keep up to \$612 (the community Medicaid income allowance in 2000) to pay his or her rent for six months. **This is called the Rent Retention Program and must be requested at the time of admission.** It requires a special form which has to be included in the application for nursing home Medicaid. A three month extension may be applied for if the person is not ready to return home at the end of six months.

Provisions for the Well Spouse

When a married individual applies for Medicaid coverage in a nursing home, the law provides asset and income guidelines for the spouse at home. In 2000, that spouse is permitted to have at least \$74,820 in total assets--or up to \$84,120 where the spouse's share exceeds \$74,820. The calculation of resources does not include the value of the home. In addition, the community spouse is allowed \$2049 in income, which may be drawn or supplemented from the institutionalized spouse's income.

Transfer of Assets

A law dubbed the "Granny Goes to Jail Act", which exposed the Medicaid applicant to possible criminal penalties for transferring assets, was repealed in 1997. Subsequently Congress included a provision in the Balanced Budget Act which would impose criminal sanctions on anyone who, for a fee, advised a client to transfer assets in order to qualify for Medicaid. In September 1998, a federal judge entered a final judgement--which the government will not appeal--finding the law unconstitutional and forbidding its enforcement.

To become eligible for Medicaid, a married individual who requires nursing home care may transfer virtually all his/her assets to the well spouse and become immediately eligible for Medicaid. However, assets owned by the well spouse may be subject later to recovery by Medicaid. If assets are transferred to persons other than a spouse and certain specified individuals, a penalty period is incurred. During that penalty period, an individual is not eligible for Medicaid nursing home coverage. **NOTE: There is no penalty period for transfer of assets when applying for non-**

institutional Medicaid (i.e. for home care, day care, etc).

Determining the Penalty Period

With proper legal planning, the **maximum** period during which an individual may be counted ineligible for Medicaid is three years (36 months) for outright, uncompensated transfers to another party. For transfers to Medicaid-approved trusts, the period is five years (60 months).

When a Medicaid application for nursing home coverage is made, Medicaid reviews all financial records of the applicant (and spouse) for the 36 months before the month of application to determine whether there were any uncompensated transfers that would incur the imposition of a penalty period. All uncompensated transfers are added together and the total is divided by a number representing the average cost of a nursing home in the area where the patient is to be institutionalized. For 2000, the figure is \$7,730 in New York City. The result of the calculations is the number of months for which the applicant is ineligible for Medicaid coverage in the nursing home. For example:

If Mr. S. transfers \$77,300 to a trust or to a non-exempt individual, he will incur a penalty period of 10 months during which time Medicaid will not cover his costs in a nursing home: $\$77,300 / \$7,730 = 10$ months.

Transferring the Home

Although the individual's home, a house or apartment, is an "exempt" resource for purposes of initial Medicaid eligibility, ultimately it may be subject to a Medicaid demand for reimbursement. Transfer of the home to a spouse and certain specified individuals will not trigger a penalty period. However, outright transfers to all other persons will trigger a penalty period. **Caution: most outright transfers will incur substantial adverse tax consequences. To minimize the penalty period and taxes, no transfers should be made without the professional advice of an elder law attorney.**

Medicaid Application for Nursing Home

In addition to requiring a 36-month retroactive review of the applicant's financial history, Medicaid requires extensive documentation to establish eligibility, including verification of identity, age, residency, citizenship, marital status, income and resources and additional personal information. The applicant must disclose for that 36-month period all relevant financial records including bank statements, savings accounts, inventory of stocks and bonds, real estate, etc. Also required is documentation and explanation for all transactions of \$500 or more. Compliance with this requirement is more complex when substantial transfers were made by the

applicant. The elder law attorney's role in this instance is to clarify the consequences of these transfers.

All required information **must** be made available to the Medicaid authorities in a compact and easy-to-follow format. Both spouses must provide complete,

36-month financial histories even if only one is applying.

Medicaid Application for Home Care

When the applicant is applying for Medicaid home care assistance, the application must be accompanied by a financial history for one month for the individual applicant, not the spouse. In addition, the application must include a physician's order designated as form **M-11q** in New York City. The decision to provide Medicaid services and the nature and amount of services to be provided are substantially predicated on the M-11q. An M-11q form that fails to fully explain the patient's medical needs may account for Medicaid's decision to deny service or provide service that is insufficient. If uncertain, an elder law attorney or geriatric social worker should be consulted to review the M-11q with the physician. A similar review of the assessment instrument for nursing home admissions is also appropriate.

Medicare

The Medicare program is a system of health insurance for the aged and the disabled. It is administered by the US Department of Health and Human Services through the Health Care Financing Administration and consists of two basic parts: Part A provides coverage for the costs incurred by eligible beneficiaries for inpatient hospital care, inpatient care in a skilled nursing facility following a hospital stay, home health care, and hospice services; Part B is a voluntary program in which eligible beneficiaries who pay a monthly premium are entitled to reimbursement for physician and other medical services and supplies. **Medicare does not pay for care that is custodial, i.e., that is primarily for the purpose of helping the person with daily living or meeting personal needs, and could be provided safely and reasonably by people without professional skills or training.** For example, custodial care can include bathing, dressing, eating and taking medicine and supervision for safety reasons. See [Medicaid](#).

Eligibility

Primary Medicare eligibility is linked to eligibility for Social Security retirement and disability benefits. Disabled persons, and disabled widows and widowers under age 65 may also be eligible for Medicare. Some persons who are 65 years of age or older but not otherwise eligible may purchase this insurance by applying to Social Security.

Enrollment

The initial enrollment period begins 3 months prior to the month of the birthday and continues 3 months after that month. There are significant penalties for late enrollment. A special enrollment period is available to the working aged and their spouses who delay enrollment because of primary, employer-based insurance.

Benefits Under Medicare Part A

Inpatient Hospital Coverage Medicare Hospital Insurance (Part A) will pay for all medically necessary inpatient hospital care for the first 60 days minus a deductible of \$776 (2000) for each benefit period. For the remaining days a beneficiary must pay substantial co-payments, which may be covered through his or her supplemental insurance ("Medigap") policy (see discussion below). Major in-hospital services covered by Medicare Part A include a semi-private room, all meals, special care units including intensive care unit, coronary care unit, regular nursing services, and drugs furnished by the hospital during the patient's stay.

Skilled Nursing Facility Care: Medicare will also pay for up to 100 days in a skilled nursing facility. The first 20 days are fully covered, but for days 21 through 100, a \$97.00 (2000) daily co-payment is required. This co-payment may be covered by Medigap insurance. The patient must have been hospitalized for at least three days, and must be admitted to the facility generally within thirty days after leaving the hospital.

Home Health Care: Medicare also provides home health care services which can continue for as long as the beneficiary is under a physician's plan of care, requires **skilled** nursing care and is essentially confined to home. **Skilled nursing services are those tasks which can only be performed by a registered nurse or under the supervision of a nurse or other certified professional.** Physical, occupational and speech therapy, and home health aide services are available. A prior hospital stay is not required. **NOTE: While the need for skilled care must be periodically recertified, there is no time limit imposed on this benefit.**

Hospice Care: Medicare's hospice program includes both home care and inpatient care when needed, and a variety of services not otherwise provided by Medicare. To be eligible, a Medicare beneficiary must be certified by a physician to be terminally ill with a life expectancy of approximately 6 months or less. Those who choose hospice care receive non-curative medical and support services for their terminal illness. Regular Medicare continues to pay for medical treatments not related to the terminal illness.

Benefits Under Medicare Part B

Medicare Medical Insurance (Part B) covers a variety of medical services of particular importance to Medicare beneficiaries, including physician services in and out of the hospital, durable medical equipment, outpatient hospital services, physical, occupational and speech therapy, and ambulance transportation. Part B coverage is voluntary. Most Medicare beneficiaries decide to enroll in the program and their monthly premiums are deducted from their Social Security checks.

There is a monthly premium of \$45.50 (2000) for Medicare Part B and an annual deductible amount of \$100 that must be paid before Medicare benefits are reimbursed. Medicare pays 80% of the approved charge for services and the beneficiary is responsible for the 20% co-payment. Some Medigap policies cover these charges.

Excluded Services

Services not covered by Medicare Part A include private duty nursing and, generally, private rooms. Services excluded under Medicare Part B include most prescription drugs that do not require administration by a physician, routine physical checkups, immunizations (with some exceptions), eyeglasses or contact lenses, most dental care, and hearing aids. Generally, Medicare will not pay for hospital or medical services abroad, or for physician services on cruise ships beyond US territorial waters.

Limiting charge

There is a cap imposed on the amount doctors may charge Medicare patients for each service. In New York, doctors may not charge more than 5% above the Medicare-approved charge for most services.

Medicare Supplemental Insurance (Medigap)

Medicare beneficiaries generally decide to buy private supplemental insurance (Medigap). At present, there are 10 standard Medigap policies which may be offered in New York. The basic plan (Plan A) is a policy that pays the patient's share of Medicare's approved amount for physician services (20%) after the \$100 annual deductible, the patient's cost of a long term hospital stay through 150 days, all approved costs not paid by Medicare after the 150th day to a total 365 days lifetime coverage, and charges not covered by Medicare for the first three pints of blood. For more information, call the Department for the Aging, HIICAP program at 212-333-5511.

Medicare Health Maintenance Organizations (HMO's)

Medicare Health Maintenance Organizations (HMO's) are an alternative to traditional fee-for-service Medicare and Medigap insurance.

Medicare HMO's are required to provide the same coverage as traditional Medicare; however, many HMO manuals are unclear as to the comprehensiveness of coverage. Important considerations include

1. whether the HMO provides a complete diagnostic assessment for Alzheimer's disease, including access to specialists and imaging tests;
2. whether the HMO will prescribe the most recent drugs to treat Alzheimer's disease; and
3. whether the HMO covers day care and/or custodial home care (very few offer this option).

Also, prospective enrollees should be aware that they may lose some control over their overall health care by choosing this option. Generally, HMO plans have "lock-in" requirements. This means that an enrolled member is locked into receiving all covered care from the doctors, hospitals and other care providers who are affiliated with the plan. In most cases if the enrollee goes outside the plan for services, neither the plan nor Medicare will pay, and the enrollee will be responsible for the entire bill.

Individuals must select a primary care physician who belongs to the plan. This physician oversees all the decisions regarding the patient's medical services. Having to change physicians may negatively impact an Alzheimer's patient who is already accustomed to a doctor who does not belong to the HMO network. In order to avoid this and other problems, consider whether the patient's current doctor **and** specialists belong to the HMO, or whether the HMO will authorize the use of outside specialists.

You may wish to speak to someone at the Health Insurance Information, Counseling and Assistance Program (HIICAP) before joining a Medicare HMO.

Medicare Information, Counseling & Advocacy

For information, counseling, and referral, contact the Social Security Administration at (800) 772-1213. For free assistance with any Medicare, Medigap insurance or other senior health insurance questions, call the Health Insurance Information, Counseling and Assistance Program (HIICAP) at (212) 333-5511, or the Medicare Rights Center at 212-869-3850.

Private Insurance for Long Term Care

The cost of a nursing home stay in the New York metropolitan area can range from \$72,000 to \$165,000 per year. Even with Medicare and supplemental insurance coverage, patients may face devastating expenses for in-home or nursing home care.

Long term care insurance is now available through a number of insurance companies. Some employers offer long term care insurance, but usually a person must purchase it independently.

Almost all long term care insurance plans sold today are indemnity policies. This means that they pay a set amount of money for each day a person is being cared for. The daily

benefit is determined when the policy is purchased. Some insurance companies offer an inflation rider to step up the daily benefit to keep pace with inflation. Like other medical insurance plans, long term care policies may also have annual deductibles, waiting periods, benefit time limits, and exclusions for existing conditions.

Long term planning should be arranged before a health problem arises. As there is often little or no time for planning with Alzheimer's disease, long term care insurance is often unavailable, or is extremely costly, unless an individual purchases it well in advance of his or her disability. Most insurance companies make specific reference to Alzheimer's disease as a pre-existing condition; the policy will not provide coverage if the condition exists before the policy is in place.

As an alternative to a long term care policy, certain insurance companies have developed long term care riders that you can add to a life insurance policy. These riders provide a monthly long term care benefit equal to a fixed percentage of the death benefit. For example, a \$100,000 policy may pay up to 2% per month (\$2,000) if the insured person enters a nursing home. This option must be purchased before the individual becomes incapacitated or disabled.

For more information, contact the insurance companies that provide this coverage, local insurance agents, or the New York State Insurance Department at (212) 480-6400. Several long term care insurance plans should be reviewed before selecting one that best meets the needs of the applicant.

Veterans Benefits

Veterans benefits are administered through the Department of Veterans Affairs. For most benefits, the claimant must be a veteran or a veteran's spouse, widow or widower, child, or parent. Further eligibility will be determined based on cause of disability, character of discharge, period of service and length of service.

In addition to income benefits and burial benefits, there are a number of medical benefits available to qualified veterans and certain dependents and survivors. These benefits may include adult day care, home care, prescriptions, outpatient care, hospital care, domiciliary care and nursing home care.

For information, contact the US Department of Veterans Affairs (800) 827-1000 or the New York State Division of Veterans Affairs (888) VETS-NYS.

APPLYING FOR FINANCIAL HELP

This section briefly outlines some income maintenance programs for which the person with Alzheimer's disease may be eligible. The relevant agency information is provided with each program. A complete list of the agencies appears in the [General Resources](#) section.

The New York City Department for the Aging can provide information about changes in benefits and eligibility requirements for Supplemental Security Income, Public Assistance, Medicare and Medicaid, the Senior Citizen Rent Increase Exemption (SCRIE) program, and Real Estate Tax Exemptions.

Eligibility for most of these programs is based on the applicant's assets and income; the requirements change every year. Contact the appropriate agency to obtain the latest information on eligibility requirements.

Access-A-Ride (877) 337-2017
New York City Transit

A transportation service for people with disabilities, Access-A-Ride provides rides for customers who are unable to use city bus or subway service for some or all of their trips.

EPIC (800) 332-3742
Elder Pharmaceutical Insurance Coverage Program

This program helps seniors save more than half the cost of most prescription drugs. There are two types of coverage to choose from: The Annual Fee Plan, or the Deductible Plan. Medicaid recipients are not eligible. Income restrictions apply.

Emergency Assistance (718) 291-1900
Human Resources Administration

The Emergency Assistance program provides cash to pay certain expenses in approved emergency situations, such as to prevent eviction or the discontinuance of utilities. Cash can also be provided for unpaid rent when a patient is in the hospital.

With certain restrictions, eligibility for the Emergency Assistance program is based on the applicant's resources and income.

Food Stamps (718) 291-1900
Human Resources Administration

Food stamps are coupons for buying food in stores. They can also be used for meals delivered at home and meals provided at senior citizen centers. As with most program of this kind, eligibility is based on the individual's resources and income.

Home Energy Assistance Program (HEAP) (212) 442-1000
New York City Department for the Aging

The Home Energy Assistance Program (HEAP) provides cash for the payment of utilities or energy bills. In some cases, this program will pay the supplier directly. Payment may be for basic and/or emergency expenses. Income restrictions apply.

Life Line Telephone Service (800) 555-5000
VERIZON

This program reduces the cost of basic telephone service and connection charges for low-income persons. Participants must be receiving benefits from at least one of the following: Food Stamps; Medicaid; HEAP; SSI; Public Assistance; Veterans Disability Pension; Veterans Surviving Spouse Pension

If you do not have VERIZON, check with your telephone company for a similar service.

**New York State School Tax Relief Program (STAR)
NYC Department of Finance**

(718) 935-9500

This program provides an exemption from the school portion of property taxes for owner-occupied primary residences. The program will be phased in to benefit all New Yorkers who own their own one-, two-, or three-family homes, condominiums or co-operative apartments. Beginning in 1998-1999, those age sixty-five and older will see their school property taxes reduced.

**Public Assistance
Human Resources Administration**

(718) 291-1900

Cash benefits are available through the Human Resources Administration for low-income persons to provide essential food, clothing, and shelter. Benefits vary depending on the person's resources, income, housing status, work-related expenses, and/or other special needs.

**Qualified Medicare Beneficiary Program (QMB)
Specified Low-Income Beneficiary Program (SLIMB)**

(718) 291-1900

These two programs may be able to assist low-income seniors or disabled persons on Medicare with premiums, co-payments and deductibles. There are restrictions on eligibility.

**Real Property Tax Credit (IT-214)
Taxpayers Assistance Bureau**

(800) 225-5829

This benefit provides a tax credit or cash payment of up to \$375.00 to homeowners or renters for part of the previous year's rent or real property taxes. There are limits on the market value and/or rent of the property, but no restriction on income or resources.

**Reduced Fare
New York City Department for the Aging**

(212) 442-1000

This program allows seniors 65 and older to ride the New York City subways and buses at one-half the regular fare. There are no income or resource limits. To receive this benefit, an individual must show a Reduced Fare MetroCard; Medicare Card; NYC Department for the Aging ID card or Access-A-Ride identification card.

Senior Citizen Homeowners Exemption Program (SCHE)

Savings of up to 50% to qualified property owners, including cooperative apartments. Applicant must have held title to property for at least 12 consecutive months. Property must be applicant's legal residence, used exclusively for residential purposes, and have **no** more than three units. Income restrictions apply. For more information call:

Bronx (718) 579-6879

Brooklyn (718) 802-3560

Manhattan (212) 669-4896

Queens (718) 298-7099

Staten Island (718) 390-5295

**Senior Citizen Rent Increase Exemption (SCRIE)
New York City Department for the Aging**

(212) 442-1000

The Senior Citizen Rent Increase Exemption (SCRIE) program exempts rent-controlled/stabilized, Mitchell-Lama and hotel tenants from various rent increases. Rent must be at least 1/3 of the tenant's net monthly income. For rent-stabilized apartments, tenant must have a valid one or two-year lease. There are income restrictions on eligibility.

**Social Security
Social Security Administration**

(800) 772-1213

Social Security provides a monthly benefit paid by the federal government to retired, blind, and disabled workers who contributed to the system during their working years. In certain cases, the worker's non-working spouses, widows, widowers, divorcees, dependent children, and dependent parents may also be eligible to collect benefits.

**Supplemental Security Income
Social Security Administration**

(800) 772-1213

Although it is administered by the Social Security Administration, Supplemental Security Income should not be confused with Social Security benefits. Supplemental Security Income is a separate federal program that guarantees a minimum monthly income to people who are financially needy **and** are either disabled or blind or at least 65 years old. Eligibility is based on the applicant's assets and income.

**Veterans Benefits
US Department of Veterans Affairs
New York State Division of Veterans Affairs**

**(800) 827-1000
(888) VETS-NYS**

If you are a veteran of the United States Armed Forces, an eligible dependent, or a survivor of a veteran, you may be entitled to US Department of Veterans Affairs benefits. To learn more about these benefits and eligibility, write for the booklet, "Federal Benefits for Veterans and Dependents," Superintendent of Documents, U. S. Government Printing Office, Washington, D.C. 20402. The cost of the book is \$3.25. The New York State Division of Veterans Affairs can also inform you about the programs to assist veterans and their families.

**Weatherization Referral And Packaging Program (WRAP)
New York City Department for the Aging**

(212) 442-3055

This program helps low-income homeowners and renters weatherize their homes. There are no resource limits, but participants must meet the income restrictions of the HEAP program.

GENERAL RESOURCES

Alzheimer's Association Chapters New York City Area

New York City Chapter

360 Lexington Ave. 5th Floor
New York, NY 10017
(212) 983-0700

Long Island Chapter

66 South Street
Patchogue, NY 11772-3520
(516) 289-6335

Staten Island Chapter

460 Brielle Avenue
Staten Island, NY 10314
(718) 667-7110

Westchester Chapter

785 Mamaroneck Avenue
White Plains, NY 10605
(914) 428-1919

Rockland County Chapter Robert Yaeger Health Ctr.

Sanitarium Road
Bldg A, Rm 335
Pomona, NY 10970
(914) 364-2743

Northern New Jersey Chapter

299 Cherry Hill Rd.,
Suite 201 Parsippany, NJ 07054
(973) 316-6676

Area Agencies on Aging

New York City Department for the Aging

2 Lafayette Street New York, NY 10007
(212) 442-1000

Nassau County

(516) 571-5814

Rockland County

(914) 364-2110

Westchester County
(914) 665-5920

Eldercare Locator
(800) 677-1116

**Elderly Pharmaceutical Insurance
Coverage Program (EPIC)**
(800) 332-3742

**Friends and Relatives of the
Institutionalized Aged (FRIA)**
11 John Street
New York, NY 10038
(212) 732-4455

**Health Insurance Information
Counseling & Assistance Program (HIICAP)**
(212) 333-5511

**Life Line Telephone Service
(VERIZON)**
(800) 555-5000

**Medicaid Information
Human Resources Administration
Office of Public Affairs**
(212) 941-5188

Medicare Rights Center
1460 Broadway, 8th fl.
New York, New York 10036
(212) 869-3850

**Medicare Information
Social Security Administration**
(800) 772-1213

**New York City Department for the Aging
Alzheimer's and Long Term Care Services**
2 Lafayette Street, 7th Floor
New York, NY 10007
(212) 442-3086

**New York City Human Resources Administration
Office of Community Affairs**
(212) 274-2873

**New York City Substate
Long Term Care Ombudsman Program**

11 Park Place, Suite 1111
New York 10007
(212) 962-2720

**Real Property Tax Credit
Taxpayers Assistance Bureau**

(800) 225-5829

Social Security Administration

(800) 772-1213

Veterans Affairs:

**U. S. Department of
Veterans Affairs**

252 Seventh Ave.
New York, New York 10011
(800) 827-1000

**New York State
Division of Veterans Affairs**

(888) NYS-VETS

LEGAL ASSISTANCE RESOURCES

**The Association of the Bar of the City of New York
Legal Referral Services**

42 West 44th Street, New York, NY 10036
Catchment: All boroughs

212-626-7373

Spanish: 212-626-7374

**Bet Tzedek Legal Services
Cardozo Law School**

55 Fifth Avenue, New York, NY 10013
Catchment: All boroughs

212-790-0240

BLS Legal Services Corp. - Senior Citizen Law Office

One Boerum Place, 3rd Floor, Brooklyn, NY 11201
Catchment: Manhattan

718-488-7448

Bronx Legal Services, Office of the Elderly

2605 Grand Concourse, Bronx, NY 10468
Catchment: All boroughs

718-220-0030

Legal Aid Society

Community Law Office

230 East 106th Street, New York, NY 10029
Catchment: Manhattan - East side, north of 96th Street

212-426-3000

The Legal Aid Society

718-645-3111

Brooklyn Office for the Aging
1685 East 15th Street, Brooklyn, NY 11229
Catchment: Brooklyn

Legal Aid Society **718-337-4900**
Far Rockaway Neighborhood Office
20-11 Mott Avenue, Far Rockaway, NY 11691
Catchment: Far Rockaways

Legal Aid Society - Harlem **212-663-3293**
2090 Adam Clayton Powell Blvd., New York, NY 10027
Catchment: Manhattan - 110th Street To 169th Street; Lexington
Ave. to the river.

Legal Aid Society **718-273-6677**
Staten Island Neighborhood Office
60 Bay Street, Staten Island, NY 10301
Catchment: Staten Island

Queens Legal Service for the Elderly **718-897-2515**
97-45 Queens Blvd., Rego Park, NY 11374
Catchment: Queens

SERVICE AGENCIES, CASEWORKERS & LAWYERS MAY CONSULT:

Legal Services for the Elderly **212-391-0120**
130 West 42nd Street, 17th Floor, New York, NY 10036

Samuel Sadin Institute on Law **212-481-4433**
Brookdale Center on Aging of Hunter College
425 East 25th Street, New York, NY 10010