



THE CHANGING LANDSCAPE OF AGING AND HEALTH CARE FINANCING

By Attorney Michael Hooker, Esq.

The Woodstock generation of the 1960s are now older citizens enrolling in Medicare who often care for their elderly parents. Changes in demographics such as the baby boomer bubble, the drop in worker-to-retiree ratios and increased longevity are some of the factors that have created increasingly stringent health care financing frameworks.

Our federal and state budgets are bursting at the seams in large part because of Medicare and Medicaid costs. In response, federal and state authorities have taken steps to tighten their belts. Medicare cost saving measures such as hospital stays “for observation” are now commonplace and often preempt the ability to obtain coverage for a subsequent discharge to a rehab facility. What happens when an elderly Hadley resident becomes frail and is no longer able to live independently? Where does he live, who takes care of him and who pays for that care? This is an enormously complex question. Our governments want the middle class to solve the problem by self-insuring or purchasing long-term care insurance. But often the elder is either clinically ineligible or finds the premiums intolerable. There has been an explosion of

home care providers who are ready to provide a huge part of the solution to society’s problem, but home care is generally paid for with savings that elders are loathe to part with. The following are a few recent indicators of our state government’s distaste for the middle class availing themselves of Medicaid, a needs-based program that covers both community and facility based care. 1) New regulations proposed by Medicaid disallow a type of Trust known as a Pooled Supplemental Needs Trust for those over 65. 2) Medicaid now employs an asset locator program to scour financial records for assets. An intake worker on a recent case of mine located New York real estate sales that had occurred within the prior 5 years which my client had failed to alert me to. 3) Medicaid now requires that previously allowable annuities purchased by the community spouse contain language authorizing health care expenses paid on behalf of the nursing home spouse to be recouped by the Commonwealth.

The funding of long-term care is a rapidly evolving and vexing area of our aging society and economy which underscores the wisdom of engaging in creative estate and financial planning well before a crisis occurs.

ELDER LAW, ESTATE PLANNING AND ASSET PROTECTION



L to R Karen Norman, finance, Atty. Michael Hooker, Estelle Stasz, Medicaid specialist. (seated), Jill Turati, LSW, Katia Torres, paralegal, Christine Hartling, LPN

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“Atty Hooker’s knowledge and expertise were instrumental in salvaging a large part of my parents’ savings in spite of the fact that we came to him at the 11th hour.”

Paul Spector
former Northampton City councilor

“Intelligent, creative, caring, competent, capable and the best support staff in the valley.”

Debra Hollingsworth, Geriatric Resources Advisor, Greater Springfield Senior services

“Atty. Hooker and his staff are an excellent resource for elders and their families, particularly on issues involving long term care and placement and accessing government funding.”

Crystal Cote-Stosz
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